

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-015639-A ✓
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR MEGADON ENTERPRISES INC.		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR 57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH 84101 SUITE 253		8. FARM OR LEASE NAME FEDERAL
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface NW¼ NW¼ SECTION 12, T 16S, R 12E, SLM At proposed prod. zone (600' FR. N-LINE AND 600' FR. E-LINE)		9. WELL NO. BOLINDER #3-12
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* ABOUT 20 MILES SE. OF PRICE, UTAH		10. FIELD AND POOL, OR WILDCAT GRASSY TRAIL ✓
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 600'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA ✓ NW. NW. SECTION 12-16S-12E. SLM
16. NO. OF ACRES IN LEASE 160		12. COUNTY OR PARISH EMERY
17. NO. OF ACRES ASSIGNED TO THIS WELL 40 ✓		13. STATE UTAH
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1260'		14. PROPOSED DEPTH 4050'
19. ROTARY OR CABLE TOOLS ROTARY		20. APPROX. DATE WORK WILL START* OCT. 15, 1983
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5352' GRD; 5362' K.B.		
22. PROPOSED CASING AND CEMENTING PROGRAM		

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17½"	13 3/8"	48.00#	40'	25 sks
11"	8 5/8"	32.00#	3000'	700 sks

IT IS PLANNED TO DRILL A WELL AT THE ABOVE LOCATION TO TEST THE POSSIBILITIES OF OIL PRODUCTION IN THE MOENKOPI FORMATION. SURFACE CASING, 8 5/8", WILL BE SET TO A DEPTH OF ABOUT 3000' AND CEMENTED TO THE SURFACE TO SHUT OFF THE WATER ZONES IN THE NAVAJO AND WINGATE FORMATIONS. BLOWOUT PREVENTER AND ROTATING HEAD WILL THEN BE INSTALLED AND A 7 7/8" HOLE WILL THEN BE DRILLED THRU THE PAY ZONES USING AIR FOR CIRCULATION. CASING (5½") WILL BE SET AND CEMENTED THRU THE PAY ZONES. SEE ATTACHED PROGNOSIS.

NOTE: AN ON-SITE INSPECTION WAS HELD ON THIS LOCATION IN MARCH OF THIS YEAR AND A COPY OF THE STIPULATIONS ON THIS WELL IS ATTACHED.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE PRESIDENT

DATE 9-13-83

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

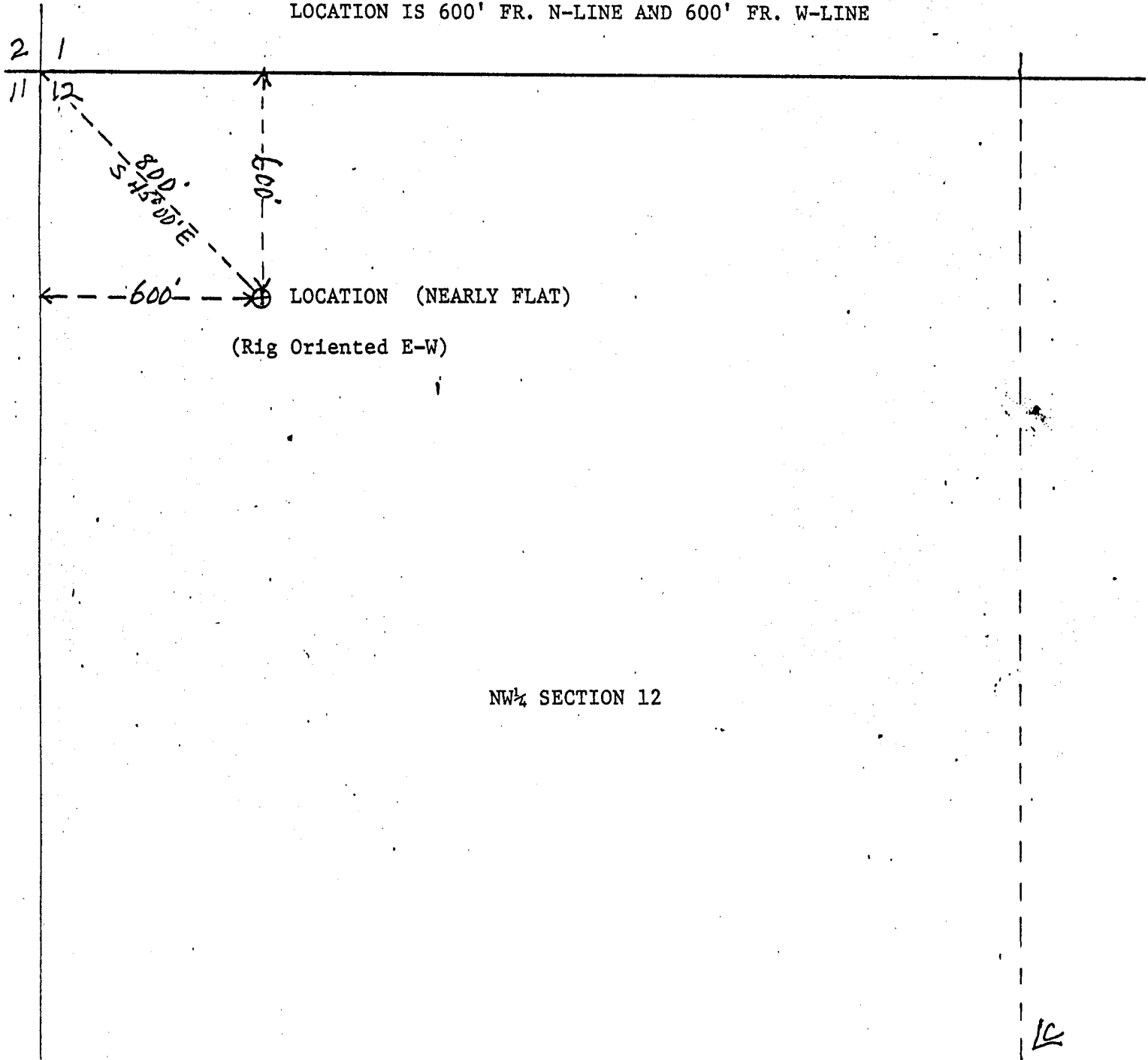
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

DIVISION OF  
OIL, GAS & MINING

LOCATION SURVEY  
FOR  
BOLINDER #3-12 WELL  
NW. NW. SECTION 12-16S-12E.  
EMERY, UTAH

LOCATION IS 600' FR. N-LINE AND 600' FR. W-LINE



REFERENCE PTS: 150' N-S-E-W

SCALE ?  
DATE:  
PLAT: #1

I, Sherman D. Gardner, do hereby certify that  
this plot was plotted from notes of a field  
survey made under my direct responsibility,  
supervision, and checking on

Sherman D. Gardner



PROGNOSIS FOR  
BOLINDER #3-12 WELL  
EMERY COUNTY, UTAH

OPERATOR: Megadon Enterprises, Inc., Salt Lake City, Utah

LOCATION: NW. NW. Section 12, T 16S, R 12E, SLM, Emery County, Utah  
(600' from N-line and 600' from W-line)

ELEVATIONS: 5352' Surface; 5362' K.B.

CONDUCTOR HOLE: 17½" to 50' and set one jt. (40') of 13 5/8" casing for conductor.

SURFACE HOLE: 11" hole to about ~~2500'~~ <sup>3000'</sup> ✓

SURFACE CASING: 8 5/8", 32.00#, K-55, 8 rd, LTC set at 3000' ✓ and cemented with 200 sks of RFC cement and 500 sks of Pozmix cement with returns to the surface.

1. Estimated Formation Tops:

<u>Formation</u>	<u>Depth to Top</u>	<u>Thickness</u>	<u>Datum</u>
Cedar Mountain	Surface	460'	5362'
Morrison	460'	640'	4902'
Summerville	1100'	180'	4262'
Curtis	1280'	190'	4082'
Entrada	1470'	310'	3892'
Carmel	1780'	250'	3582'
Navajo	2030'	380'	3332'
Kayenta	2410'	150'	2952'
Wingate	2560'	380'	2802'
Chinle	2940'	240'	2422'
Moenkopi*	3180'	630'	2182'
Sinbad	3810'	---	1552'
TOTAL DEPTH	4050'		

\*The oil producing zones in the Moenkopi should appear in the section between 3650' and 3780' and between 4000' and 4050'.

2. The surface hole will be drilled with water and light mud using about a 11" bit. (Bit size will be determined by the available bit at the time.) The surface hole will be kept within 1½° of vertical. The surface casing will be set and thoroughly cemented with returns to the surface. Approximately 4 hours will be allowed for the cement to set. Blowout preventer with hydraulic pipe and blind rams will then be installed on top of the casing. A rotating head will be installed on the top of the BOP and/or hydril and approximately 100 feet of blewie line laid with the end of the line located in the reserve pit. The BOP and surface casing will then be tested to 1500# pressure for leaks. Fill and kill lines will be connected to the casing head below the blind rams. The surface hole will be drilled to a depth of

about 3000' or 25' into the Chinle formation and then logged electrically. (Only a Dual Induction log needs to be run on this part of the hole.) After logging, 8 5/8" casing will be run and cemented as indicated above.

3. A 7 7/8" hole will then be drilled below the surface casing (from 3000' to about 4050') using air for circulation. In the event of water or oil, the air may have to be converted to air/mist for proper cleaning of the hole and/or to prevent fire in the hole. The lower part of the hole, 3000' to T.D., will then be filled with about 100 viscosity mud to permit logging electrically. Dual-Induction and Gamma-Density-Neutron logs will be run on this portion of the hole. A decision to core thru some of the pay zones may be made during the drilling operations.
4. It is anticipated to run 5 1/2" casing (14.00#, K-55, 8 rd., LTC) from total depth to the surface, rather than using a liner and liner hanger. This casing would be cemented with about 250 sks of RFC cement (sufficient to bring the cement inside the 8 5/8" casing).
5. No abnormal conditions are anticipated. The area does not have a history of high pressure natural gas or any toxic gases. Some water flows may be encountered and these will be cased off as indicated above.
6. The anticipated starting date is approximately October 15, 1983 and it should take about 15 days to drill and about 15 days to complete.

## N T L - 6 P L A N R E P O R T

For

Well Name: BOLINDER #3-12Location: NW. NW. SECTION 12, T 16S, R 12E, SLM, EMERY COUNTY, UTAH1. Existing Roads: (See attached Maps)

## A. Well Location: (See Plat #1)

Reference Stakes: 150' N-S-E-WPerimeter Stakes: AS ABOVE

## B. Route and Distance to Well Site From Reference Point: (See att. maps)

SEE MAP - ABOUT 4 MILES FROM HWY 6-50 AS SHOWN

## C. Access Roads (Identify secondary roads to be used): (See att. maps)

NO ADDITIONAL ROADS REQUIREDD. Roads Within 3 mile Radius: (See att. maps) SECONDARY ROADS AS SHOWN ARE MOSTLY COUNTY ROADS; ARE NATURAL MATERIAL AND ARE WELL TRAVELLED. ALL THESE ROADS HAVE BEEN IN USE FOR MORE THAN 20 YEARS.Surface type and conditions: GRAVEL AND NATURAL MATERIAL. ROADS ARE IN GOOD CONDITION, ARE WELL TRAVELLED, AND ARE CROWNED AND DITCHED.

## E. Roads Within 1 mile Radius: (See att. maps) See 1-D Above.

AS ABOVE.F. Plans for Road Improvement & Maintenance: ROADS (NOT COUNTY) WILL BE KEPT GRADED AND FREE OF MUD HOLES AND RUTS.

F.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Planned Access Roads: (See att. maps) NO NEW ROADS NEEDED. EXISTING ROAD  
WILL BE CROWNED AND DITCHED FROM COUNTY ROAD TO BOLINDER #1-C (1/3 MILE)

- (1) Width: 20 FEET  
(2) Maximum Grades: LESS THAN 6%  
(3) Turnouts: NONE  
(4) Drainage Design: DITCHED ON SIDES  
(5) Location and Size of Culverts, Cuts, and Fills: NONE NEEDED

(6) Surfacing Material: GRAVEL & NATURAL MATERIAL

(7) Gates, Cattleguards, or Fence Cuts: NONE

(8) All new roads have been flagged as required.

3. Location of Existing Wells: (See Map No. 1)

- (1) Water Wells: NONE  
(2) Abandoned Wells: ONE  
(3) Temporarily Abandoned Wells: NONE  
(4) Disposal Wells: NONE  
(5) Drilling Wells: TWO  
(6) Producing Wells: SIX  
(7) Shut-in Wells: NONE  
(8) Injection Wells: NONE  
(9) Monitoring or Observation Wells: NONE

4. Location of Existing and/or Proposed Facilities:

A. Within 1-mile radius of location show the following existing facilities owned or controlled by lessee/operator:

(1): Tank Batteries: (Size) TWO 300 BBL TANKS ON BOLINDER #2-2 AND TWO 500  
BBL TANKS ON BOLINDER #1-C

(2) Production Facilities: BOLINDER #1-C AND #2-2 HAVE PUMP JACKS

(3) Oil gathering lines: NONE

(4) Gas gathering lines: NONE

(5) Injection lines: NONE

(6) Disposal lines: NONE

(7) Are lines buried? YES

B. If new facilities are contemplated, in the event of production, show: (These facilities depend on the outcome of the proposed well and are really unknown at this time.) Show a general proposed plan. (See Plat No. 2)

(1) Are any facilities planned off well pad? WE PLAN TO USE THE TANKS ON THE BOLINDER #1-C ALSO FOR THE PRODUCTION FROM THE 3-12 WELL

(2) Give dimensions of facilities: TWO 500 BBL TANKS ON BOLINDER #1-C WELL

(3) Construction methods and materials: A BURIED LINE (3 inches) WILL BE LAID FROM THE BOLINDER #3-12 WELL TO THE TANKS ON BOLINDER #1-C WELL

(4) Protective measures for livestock and wildlife: ALL FACILITIES AND PITS WILL BE FENCED AND GUARDS PLACED AROUND MOVING PARTS OF MACHINERY

C. Plan for rehabilitation of disturbed areas no longer needed after drilling operations are completed: THESE AREAS WILL BE LEVELLED, CONTOURED AND RESEEDED WITH APPROVED SEED MIXTURE. AREA TO BE SEEDDED WILL BE SCARRED, AND

C. SEEDED WITH A DRILL.

5. Location & Type of Water Supply: (See att. maps)

A. ☒ Type of Water Supply: FROM COTTONWOOD CREEK (1/2 MILE AWAY)

B. Method of Transporting Water: BY TRUCK

C. Is Water Well Planned? NO

If so, describe location, depth and formation: \_\_\_\_\_

6. Source of Construction Materials:

A. See attached map and describe: NONE NEEDED

B. Identify if Federal, Indian, or Fee Land: \_\_\_\_\_

C. Describe Material: (Where from and how used) \_\_\_\_\_

D. See item '1-C and 2 above.

7. Waste Disposal:

(1) Cuttings: PLACED IN RESERVE PIT

(2) Drilling Fluids: PLACED IN RESERVE PIT

(3) Producing Fluids (oil or water) OIL IN TANKS; WATER IN PIT

(4) Human Waste: CHEMICAL TOILETS



(5) Garbage & Other Waste: (Burn pit will be adequately fenced with chicken wire to prevent scattering of debris by wind) \_\_\_\_\_  
A PORTABLE GARBAGE BIN WILL BE USED

(6) Clean-up: (See item 10 below) LOCATION WILL BE KEPT FREE OF DEBRIS: AND  
AFTER DRILLING ACTIVITIES CEASE AND RIG IS REMOVED THE LOCATION WILL BE CLEANED AND  
ALL EXCESS MATERIAL REMOVED TO A STORAGE AREA.

8. Airstrips and/or Camp Sites (Describe): NONE NEEDED

9. Well Site Layout: (See Plat No. 3)

(1) Describe cuts or fills: NO DEEP CUTS OR FILL REQUIRED EXCEPT AS NEEDED  
FOR RESERVE PIT. SIX TO EIGHT INCHES OF TOP SOIL WILL BE REMOVED AND PILED AT THE  
SIDES OF THE LOCATION.

(2) Describe pits, living facilities, soil stockpiles: A RESERVE PIT AS  
SHOWN ON PLAT #3 WILL BE DIG ON NATIVE SOIL.

(3) Rig Orientation, Pipe rack, Access Road Entrance, etc.: (See Plat #3)  
AS SHOWN.

(4) Are Pits Lined? NO

10. Plans For Restoration:

A. If Well is completed: ALL AREA NOT NEEDED FOR PRODUCTION PURPOSES WILL BE  
RESTORED AS INDICATED IN 4-C ABOVE.

B. If Well is abandoned: LOCATION WILL BE COMPLETELY RESTORED AS INDICATED.

(1) Clean-up, levelling, folding pits-in, contouring: \_\_\_\_\_

B. (1) \_\_\_\_\_

(2) Seeding location and access road: AS NOTED IN 4-C ABOVE

(3) Will pits be fenced or covered? RESERVE PIT WILL BE FENCED ON THREE SIDES WITH FOUR STRANDS OF BARBED WIRE.

(4) Is there any oil in reserve pit? NO

If so, describe disposal: \_\_\_\_\_

(5) When will restoration work be done? WITHIN 60 DAYS OF ABANDONMENT OF LOCATION OR COMPLETION OF PRODUCTION FACILITIES.

#### 11. Description of Land Surface:

(1) Topography & Surface Vegetation: NEARLY FLAT. VEGETATION IS SAGE BRUSH WITH SOME GRASS AND SHAD SCALE.

(2) Other Surface Activities & Ownership: CONSIDERABLE DRILLING AND OIL PRODUCTION OPERATIONS ARE CURRENT IN THE AREA. LANDS ARE FEDERALLY OWNED — SURFACE AND MINERALS.

(3) Describe other dwellings, archaeological, historical, or cultural sites: A RAILROAD IS LOCATED ABOUT ½ MILE SOUTH OF LOCATION. THERE ARE NO BUILDINGS, HISTORICAL OR CULTURAL SITES KNOWN IN THE AREA. AN ARCHAEOLOGICAL REPORT WILL BE FURNISHED.

#### 12. Operators Representative: (Address & Phone number)

W. DON QUIGLEY, 57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH 84101  
(801) 359-3575

13. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access route; that I am familiar with the conditions which presently exist; that statements made in this plan are, to the best of my knowledge, true and correct; and that work associated with the operations proposed herein will be performed by MEGADON ENTERPRISES INC. and its contractors in conformity with this plan and terms and conditions under which it is approved.

Date: SEPTEMBER 9, 1983

Name: H. Don Gungley

Title: PRESIDENT

\*\*\*\*NOTE: SEE ATTACHED COPY OF STIPULATIONS FROM AREA MANAGER OF THE BUREAU OF LAND MANAGEMENT, PRICE RIVER AREA: AND THESE STIPULATIONS ARE MADE A PART OF THIS APPLICATION.

**Memorandum**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Moab District  
Price River Resource Area

IN REPLY REFER TO:

3100  
(U-066)TO : District Supervisor, BLM, Oil and Gas  
Operations, Salt Lake City, Utah  
FROM : Area Manager, Price River

Date: March 9, 1983

SUBJECT: ✓ Megadon Enterprises' Well Bolinder 3-12

The onsite inspection for subject well was conducted on March 4, 1983, in response to a notice of staking. Stipulations that will be placed on our approval of the operation follow. These may be incorporated into the APD being prepared by Megadon.

1. Megadon shall insure that all individuals working at or near the location are aware of and comply with all applicable stipulations.
2. The BLM's representative (Sid Vogelpohl, 801-637-4584) will be notified at least 48 hours prior to any surface disturbing activities associated with the drill pad location.
3. The existing access road shall be upgraded by crowning and ditching with water bars and water turnouts as necessary (refer to BLM/USGS Surface Operating Standards Figures 4 and 6). Changes in finished road design may be required by the BLM.
4. Six to eight inches of topsoil on the entire pad site shall be removed and stockpiled in a manner to minimize soil loss to wind and water erosion. Stockpiles shall be rounded off and located so that soil is not contaminated or compacted. In the event that the well is a producer, soil stockpiles shall be seeded. A seed mix will be provided by the BLM.
5. Mud pits not based in at least four feet of cut material shall have the embankments of fill material key seated to ensure pit stability and fluid retention. The fill used in embankments shall be placed in lifts and compacted.
6. Littering of access roads or pad area by personnel involved in the drilling operation or construction shall be prevented or corrected by Megadon. Collected garbage and trash will be disposed of at an authorized landfill. Drained equipment oil will be disposed of in pits at drill sites or at a landfill.
7. The completed road shall be maintained so that the travel surface is free of excessive ruts, holes, soft spots and washboards. Drainage ditches shall be relatively free of sediments and not excessively eroded.

8. During periods of weather when activity would result in deep rutting (6 inches or more) of the driving surface or excessive disturbance, a stop work order may be verbally issued by the Authorized Officer with a follow-up written order. An authorization to resume work will be required.
9. Residues and contaminated earth in mud pits may be required to be completely removed if, with reclamation, same would be near or exposed at the surface.
10. Upon completion of drilling operations, the BLM's representative shall be notified by Megadon of production and/or reclamation plans so that an inspection may be conducted to determine if mitigating measures in addition to those included in the surface use plan or presented hereby are necessary.
11. Any production facilities will be painted a single, low gloss, pastel color that will blend with the color of soils, rock or vegetation. Color will be approved by the BLM's representative.
12. Reclamation, when determined necessary by the BLM, will return all disturbed areas to a topographic form that blends with the surroundings. Topsoil stockpiled will be redistributed and the area seeded as specified by the BLM at the time of reclamation. Erosion control devices will be required as determined by the BLM.
13. Due to the presence of an active golden eagle nest, surface disturbing activities will not be allowed prior to June 15, unless an earlier field check by the BLM wildlife biologist indicates that nesting has proceeded to the stage that same would not be disrupted by new surface disturbing activities in the area.

Threatened or endangered animal or plant species are not known to be present. An archaeological clearance will be required prior to approval of the APD.

/s/ Leon E. Berggren

✓ cc: Megadon Enterprises, Inc.  
57 West South Temple  
Salt Lake City, Utah 84101

SVogelpohl:lk

WELL CONTROL EQUIPMENT FOR  
BOLINDER ST. #3-12 WELL  
NW. NW. SECTION 12-16S-12E.  
EMERY COUNTY, UTAH

The following control equipment is planned for the above designated well: .

CONDUCTOR CASING: 40 ft. of 13 5/8", 48.00# set at 40' and cemented to surface.

SURFACE CASING:

- A: Hole size for the surface casing is 11".
- B: Setting depth for surface casing is approximately 3000'.
- C: Casing specs are: 8 5/8" O.D., K-55, 32.00#, 8 rd. thread, LTC.
- D: Anticipated pressure at setting depth is approximately 1000 lbs.
- E: Casing will be run and cemented with 200 sks of RFC cement and 500 sks of Pozmix light cement with returns to the surface.
- F: Top of casing will be at ground level.

CASING HEAD:

- A: Flange size: 8 5/8", API.
- B: Pressure Rating: 3000#, Series 600, Cameron, OCT, or equivalent; new or used; equipped with two 2" ports with nipples and 2", 3000# W.P. valves. Casing head and valves will be set above ground.

BLOWOUT PREVENTERS:

- A: Double Rams: Hydraulic; one set of blind rams for 3½" or 4" drill pipe; 10" flange; 3000# W.P; Series 900; equipped with mechanical wheels and rod for back-up; set on top of casing head and bolted down securely; pressure tested for leaks up to 2000#; Cameron, Shaffer, or equivalent. A rotating head will also be used.
- B: Fill and Kill Lines: To be connected to the 2" valve in the casing head and are to be heavy duty line pipe or tubing. The kill line will be connected to the mud pump and the flow line will be directed into the reserve pit.

AUXILLIARY EQUIPMENT:

- A: Float Valve: 3000# W.P; to be used in the bottom drill collar at all times.
- B: Kelly Valve: At least 3000# W.P; will be installed in the stand pipe and a valve with proper sub will be available for stabbing in the drill pipe or drill collars.

ANTICIPATED PRESSURES:

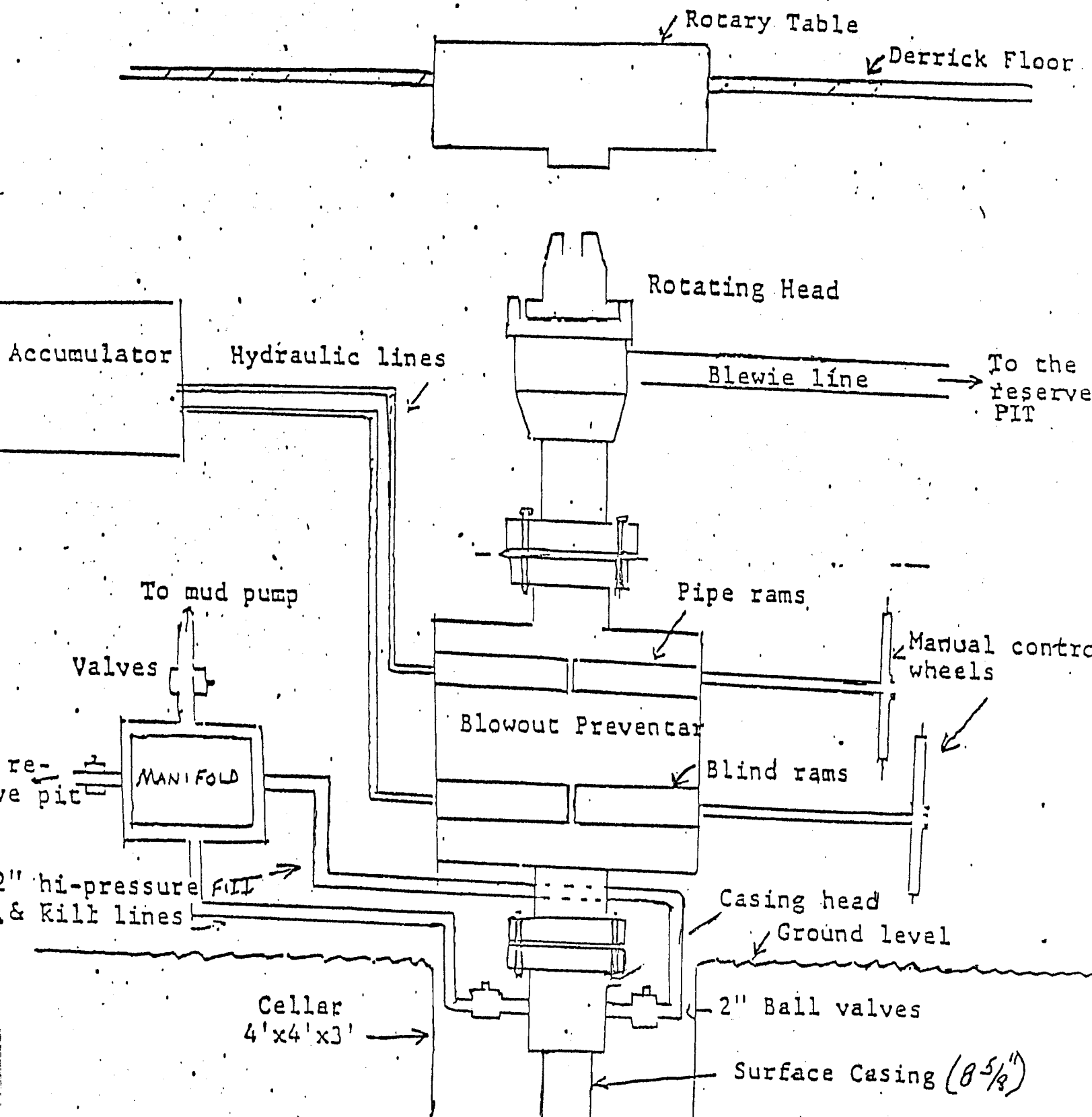
- A: Shut-In Pressure: The Moenkopi formation at a depth of about 3800' has been recorded at about 1500#, in the Grassy Trail Field. This will be the pressure that will be considered in the control program for the well.

WELL CONTROL EQUIPMENT  
BOLINDER #3-12 WELL

DRILLING FLUIDS:

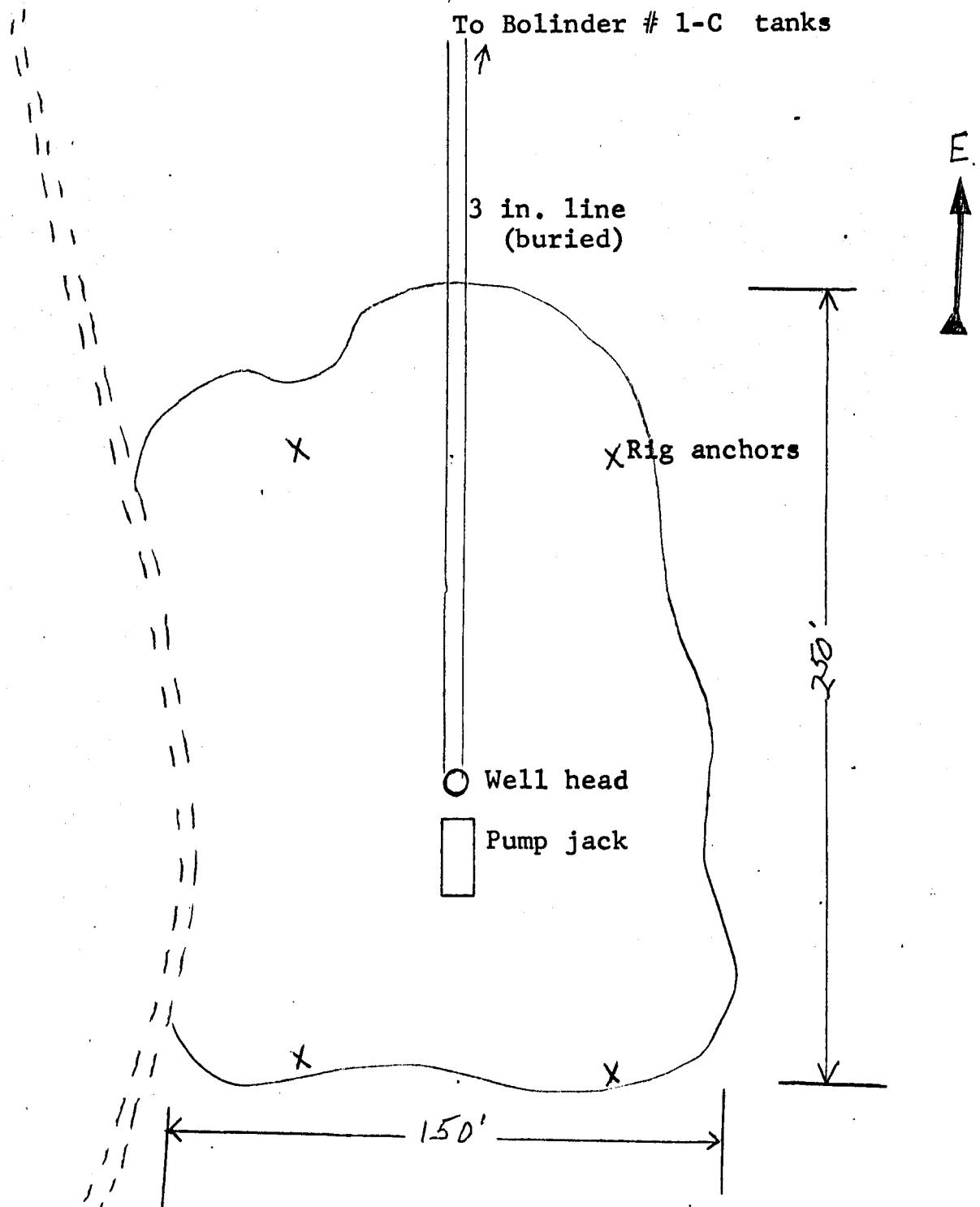
- A: Normal Air & Air-Mist: Will be used to drill the well from near to the top of the Moenkopi formation, which is expected at a depth of about 3100', to total depth at about 4050'.
- B: Hi-Visc. Mud: At a depth of about 4050', hole will be filled to about 3000' with hi-viscosity mud for logging and casing purposes.
- C: Toxic Gasses: None are anticipated.

SCHEMATIC DIAGRAM OF  
CONTROL EQUIPMENT FOR THE  
BOLINDER NO. 3-12 WELL  
EMERY COUNTY, UTAH



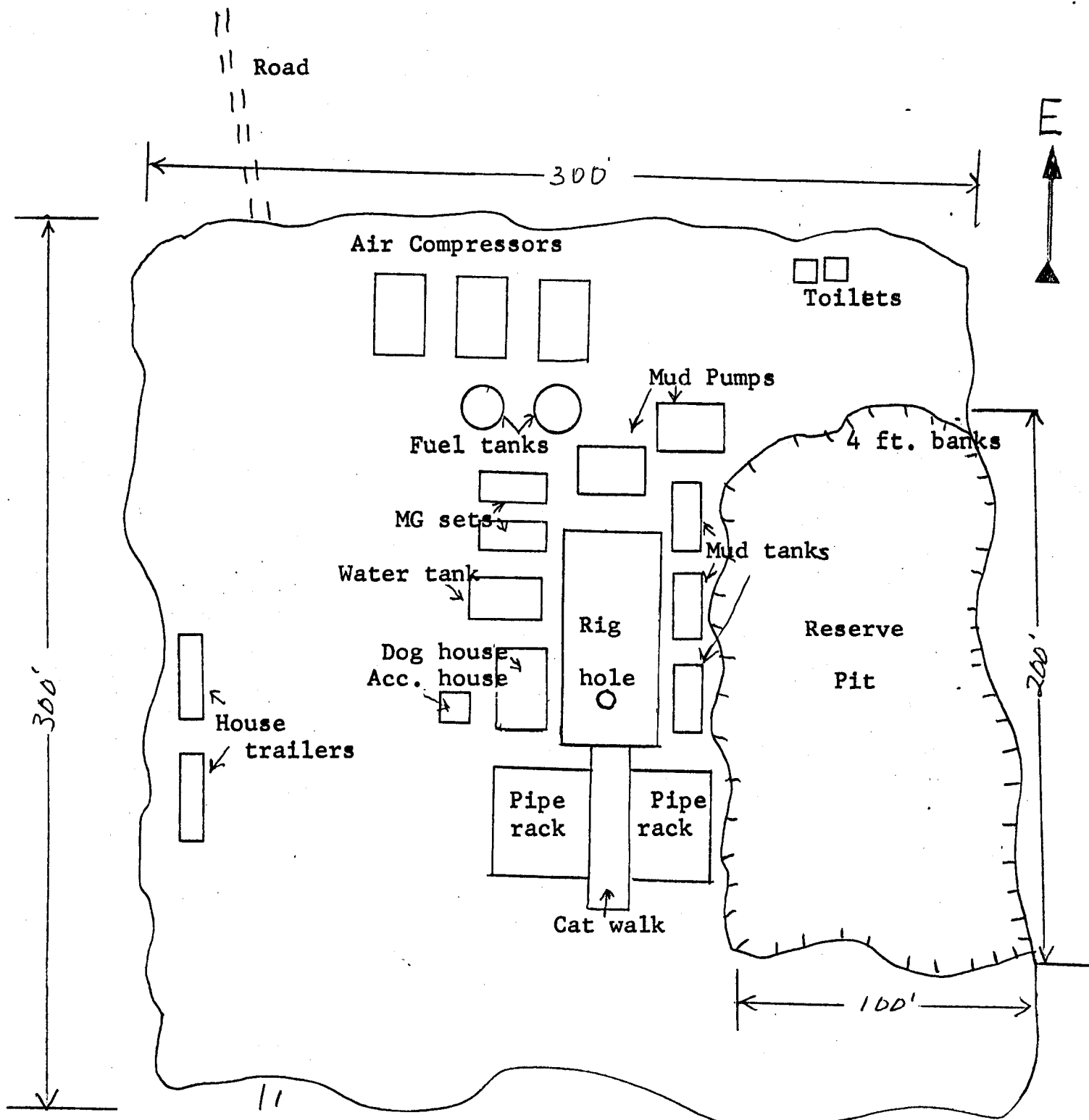


PLAN FOR COMPLETION EQUIPMENT  
FOR BOLINDER#3-12 WELL  
EMERY COUNTY, UTAH



Approx.: 1 in. = 50 ft.

DRILLING EQUIPMENT LAYOUT  
FOR BOLINDER #3-12 WELL  
EMERY COUNTY, UTAH



Approx. scale: 1 in. = 50 ft.

PLAT NO. 3

H  
OLOGICAL SURVEY

Map #1  
MOUNDS QUADRANGLE  
UTAH

7.5 MINUTE SERIES (TOPOGRAPHIC)

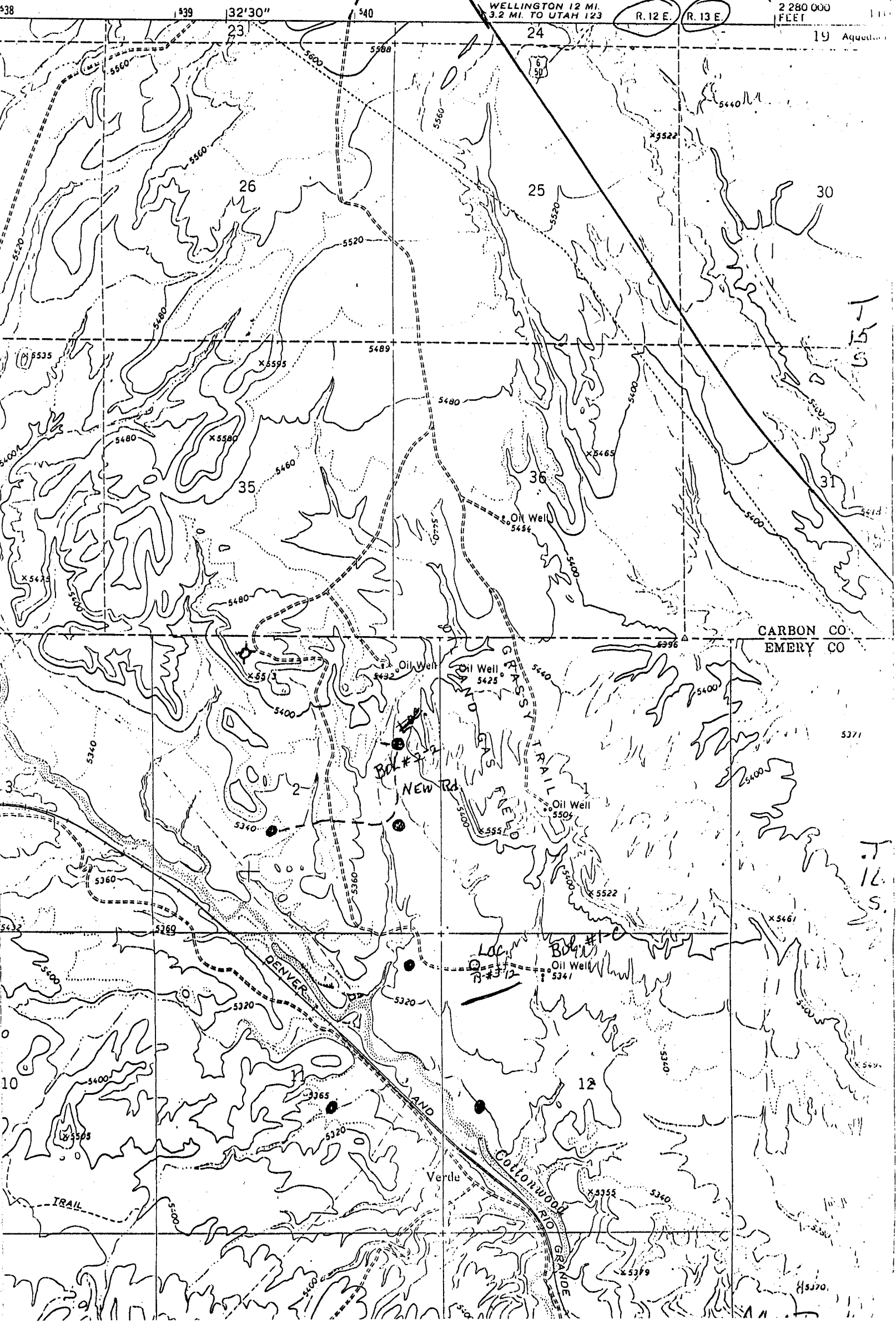
WELLINGTON 12 MI.  
3.2 MI. TO UTAH 123

2 280 000  
FEET

R. 12 E.

R. 13 E.

19 Aqueduct



OPERATOR MEGADON ENTERPRISES INC.

DATE 9-14-83

WELL NAME BOLINDER 3-12

SEC NW NW 12 T 16S R 12E COUNTY EMERY

43-015-30178  
API NUMBER

FED  
TYPE OF LEASE

POSTING CHECK OFF:

☐

INDEX

☐

MAP

☐

HL

☐

NID

☐☐

PI

PROCESSING COMMENTS:

NO OIL WELLS WITHIN 1000'

**APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING**

DATE: 9-15-83

BY: [Signature]

✓  
9/15/83  
CHIEF PETROLEUM ENGINEER REVIEW:

APPROVAL LETTER:

SPACING:

☐

A-3

UNIT

☐

c-3-a

CAUSE NO. & DATE

☒

c-3-b

☐

c-3-c

SPECIAL LANGUAGE:

WATER

☒ RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.

☒ AUTHENTICATE LEASE AND OPERATOR INFORMATION

☒ VERIFY ADEQUATE AND PROPER BONDING *FED*

☒ AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

☐ APPLY SPACING CONSIDERATION

☐ ORDER *NO*

☐ UNIT *NO*

☒ c-3-b

☐ c-3-c

DRILL-  
OIL GAS AND MINING  
DEPT DIVISION OF  
REGULATED BY THE STATE

☒ CHECK DISTANCE TO NEAREST WELL.

☒ CHECK OUTSTANDING OR OVERDUE REPORTS FOR OPERATOR'S OTHER WELLS.

☒ IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

☒ IF IN OIL SHALE DESIGNATED AREA, SPECIAL APPROVAL LANGUAGE.

September 15, 1983

Megadon Enterprises, Inc.  
57 West South Temple, Suite 253  
Salt Lake City, Utah 84101

RE: Well No. Bolinder 3-12  
NWNW Sec. 12, T. 16S, R. 12E  
600' FNL, 600' FWL  
Emery County, Utah

Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to oil well is hereby granted in accordance with Rule C-3(b), General Rules and Regulations and Rules of Practice and Procedure. Prior to spudding, a copy of the Utah Division of Water Rights (Phone No. 533-6071) approval for use or purchase of drilling water must be submitted to this office, otherwise this approval is void.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:


RONALD J. FIRTH - Chief Petroleum Engineer  
Office: 533-5771  
Home: 571-6068

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is 43-015-30178.

Sincerely,

  
Norman C. Stout  
Administrative Assistant

NCS/as'  
cc: Branch of Fluid Minerals  
Encl.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

MEGADON ENTERPRISES INC.

3. ADDRESS OF OPERATOR

57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH 84101

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface NW¼ NW¼ SECTION 12, T 16S, R 12E, SLM  
At proposed prod. zone (600' FR. N-LINE AND 600' FR. E-LINE)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

ABOUT 20 MILES SE. OF PRICE, UTAH

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 600'

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

1260'

19. PROPOSED DEPTH

4050'

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5352' GRD; 5362' K.B.

22. APPROX. DATE WORK WILL START\*

OCT. 15, 1983

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17½"	13 3/8"	48.00#	40'	25 sks
11"	8 5/8"	32.00#	3000'	700 sks

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IT IS PLANNED TO DRILL A WELL AT THE ABOVE LOCATION TO TEST THE POSSIBILITIES OF OIL PRODUCTION IN THE MOENKOPI FORMATION. SURFACE CASING, 8 5/8", WILL BE SET TO A DEPTH OF ABOUT 3000' AND CEMENTED TO THE SURFACE TO SHUT OFF THE WATER ZONES IN THE NAVAJO AND WINGATE FORMATIONS. BLOWOUT PREVENTER AND ROTATING HEAD WILL THEN BE INSTALLED AND A 7 7/8" HOLE WILL THEN BE DRILLED THRU THE PAY ZONES USING AIR FOR CIRCULATION. CASING (5½") WILL BE SET AND CEMENTED THRU THE PAY ZONES. SEE ATTACHED PROGNOSIS.

NOTE: AN ON-SITE INSPECTION WAS HELD ON THIS LOCATION IN MARCH OF THIS YEAR AND A COPY OF THE STIPULATIONS ON THIS WELL IS ATTACHED.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

*H. Don Gingley*

TITLE PRESIDENT

DATE 9-13-83

(This space for Federal or State Office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

/S/ GENE NODINE  
DISTRICT MANAGER

TITLE

DISTRICT MANAGER

DATE 11-23-83

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

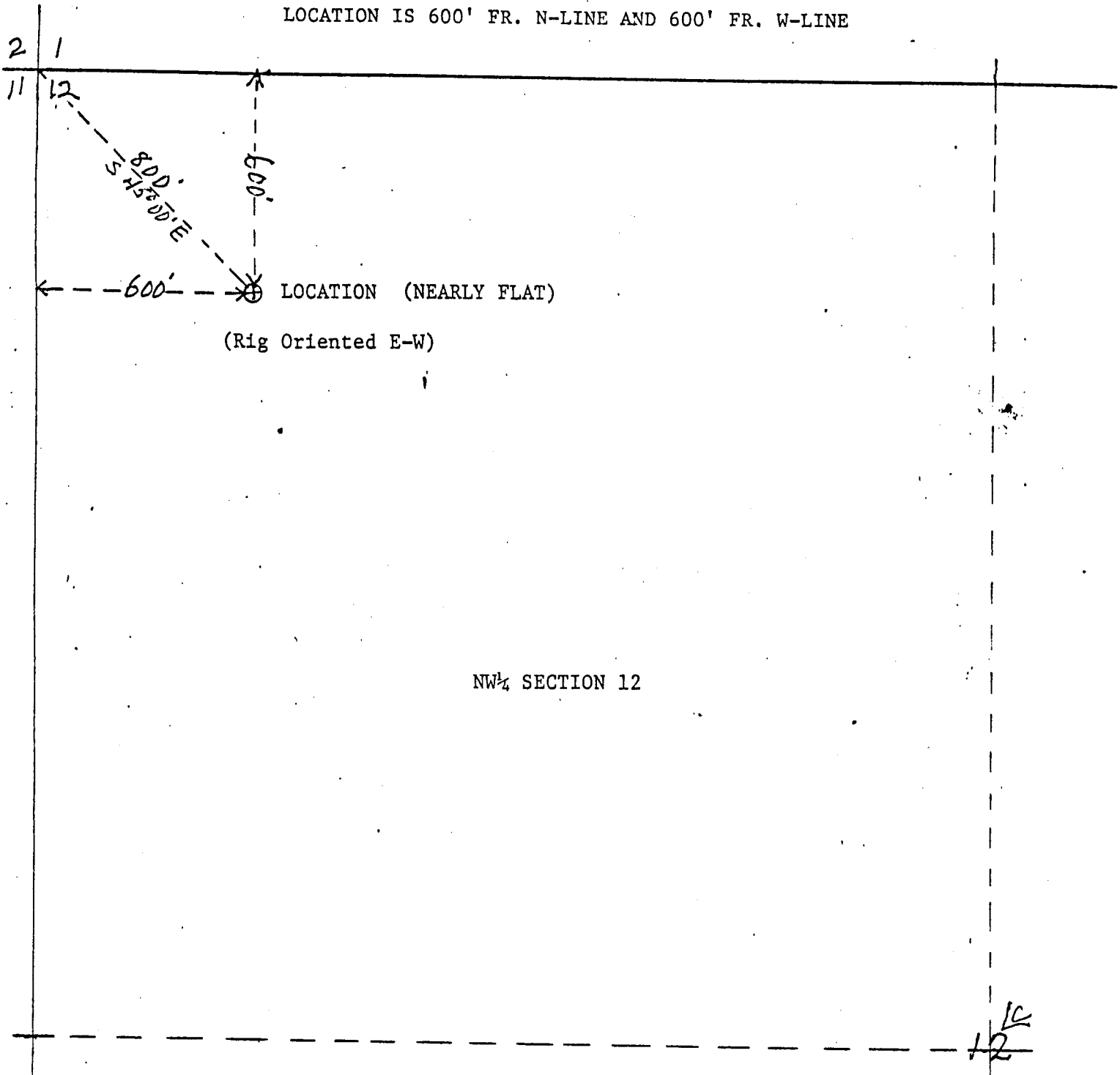
FLARING OR VENTING OF  
GAS IS SUBJECT OF NTL 4-A  
DATED 1/1/80

\*See Instructions On Reverse Side

22-DOG AM

LOCATION SURVEY  
FOR  
BOLINDER #3-12 WELL  
NW. NW. SECTION 12-16S-12E.  
EMERY, UTAH

LOCATION IS 600' FR. N-LINE AND 600' FR. W-LINE



REFERENCE PTS: 150' N-S-E-W

DATE:  
PLAT: #1

I, Sherman D. Gardner, do hereby certify that  
this plot was plotted from notes of a field  
survey made under my direct responsibility,  
supervision, and checking on

Sherman D. Gardner





CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Company MEGADON ENTERPRISES INC.

Well No. BOLINGER #3-12

Location NW 1/4 NW 1/4 SECTION 12, T. 16 S., R. 12 E. S. 1 M. Lease No. U-015639-A

A COPY OF THESE CONDITIONS SHOULD BE FURNISHED YOUR  
FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (30 CFR 221), and the approved plan of operations. The operator is considered fully responsible for the actions of his subcontractors. The following items are emphasized:

1. There shall be no deviation from the proposed drilling and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling producing, suspended, or abandoned shall be identified in accordance with 30 CFR 221.22. Any changes in operations must have prior approval of this office. Pressure tests are required before drilling out from under all casing strings set and cemented in place. Blowout preventer controls must be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to insure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs. All BOP pressure tests must be recorded on the daily drilling report.
2. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and furnished this office for analysis. All oil and gas shows will be adequately tested for commercial possibilities, reported and protected.
3. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of this office. If operations are to be suspended, prior approval of this office must be obtained and notification given before resumption of operations.

In the event abandonment of the hole is desired, an oral request may be granted by this office, but must be timely followed within 15 days with a "Notice of Intention to Abandon" (Form 9-331). Unless the plugging is to take place immediately upon receipt of oral approval, the District Manager must be notified at least 48 hours in advance of the plugging of the well in order that a representative may witness plugging operation. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form 9-331) must be submitted within 15 days after the actual plugging of the well bore, reporting where the plugs were placed, and the current status of the surface restoration. If surface restoration has not been completed at that time, a follow-up report on form 9-331 should be filed when all surface restoration has been completed and the location is considered ready for final inspection.

4. The spud date will be reported orally to the respective District Manager's office within 48 hours after spudding. If the spudding occurs on a weekend or holiday, wait until the following regular workday to make this report.

Periodic drilling progress reports must be filed directly with the District Manager's office on a frequency and form or method as may be acceptable to the District Manager.

In accordance with NTL-1, this well must be reported on Form 9-329 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report should be filed, in duplicate, directly with Royalty Management Accounting Center, Minerals Management Service, P. O. Box 2859, Casper, Wyoming 82602.

Any change in the program must be approved by the District Manager. "Sunday Notices and Reports on Wells" (form 9-331) must be filed for all changes of plans and other operations in accordance with 30 CFR 221.58. Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alteration of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground will require the filing of a suitable plan pursuant to NTL-6, and prior approval by the District Manager.

5. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (form 9-330) will be submitted not later than 15 days after completion of the well or after completion of operations being performed, in accordance with 30 CFR 221.59. Two copies of all logs run, core descriptions, core analyses, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 9-330. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by this office.
6. Significant surface values (are) (are not) involved at this location. Accordingly, you (must) (need not) notify at least (24) (48) hours prior to commencing field operations to allow this office to have personnel present for consultation during the construction of roads and locations.

Your contact with the District Office is: LYNN JACKSON

Office Phone: 801-259-6111 Home Phone: \_\_\_\_\_

City: MOAB State: UTAH

Resource Area Manager's Address and contacts are:

Address: PRICE, UTAH

Your contact is: DAN PRESSY

Office Phone: 801-637-4584 Home Phone: 801-637-9077

## 7. SURFACE OPERATING STANDARDS

Unless otherwise specified herein, construction and maintenance of surface facilities approved under this plan shall be in accordance with the guidelines set forth in the BLM/FS/GS Oil and Gas Brochure entitled, "Surface Operating Standards for Oil and Gas Exploration and Development". This includes but is not limited to such items as road construction and maintenance, handling of top soil and rehabilitation.

8. If a replacement rig is contemplated for completion operations, a "Sundry Notice" to that effect must be filed, for prior approval of the District Manager, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
9. Pursuant to NTL-2B requirements regarding disposal facilities for new wells, this is authorization for unlined pit disposal of the water produced from this well for a period of 90 days from the date of initial production for sales purposes. During this period, an application for approval of the permanent disposal method, along with the required water analysis and other information must be submitted for the District Manager's approval. Failure to timely file an application within the time allowed will be considered an incident of noncompliance, and will be grounds for issuing a shut-in order until the application is submitted.
10. This permit is valid for a period of one year from the date of approval. If construction does not commence within 90 days from approval, the operator must contact this office 15 days prior to beginning construction. Construction under adverse conditions may require additional stipulations. If the permit terminates, any surface disturbance created under the application must be rehabilitated in accordance with the approved plan. After termination, it is required that a new application be filed for approval for any future operations.
11. If a tank battery is constructed on this lease, it must be surrounded by a fire wall of sufficient capacity to adequately contain the storage capacity of the battery.
12. This Application for Permit to Drill is approved subject to the requirement that, should the well be successfully completed for production, this office must be notified when it is placed in a producing status. Such notification will be by telegram or other written communication, and must be received in this office by not later than the first business day next following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - a. Operator name, address and telephone number.
  - b. Well name and number.
  - c. Well location (1/4, 1/4, Section, Township, Range and Prime Meridian).
  - d. Date was placed in a producing status.
  - e. The nature of the well's production, i.e. crude oil, or crude oil and casinghead gas, or natural gas and entrained liquid hydrocarbons.

- f. The OCS, Federal or Indian lease prefix and number on which the well is located. Otherwise, the non-Federal or non-Indian land category, i.e. State or private.
- g. If appropriate, the unit agreement name, number and participating area name.
- h. If appropriate, the communitization agreement number.

13. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SUPPLEMENTAL STIPULATIONS OF APPROVAL ATTACHED

1. Due to the presence of a golden eagle's nest, drilling, and, if appropriate, installation of production facilities must be completed by February 1, 1984, subject to a field investigation by the BLM wildlife biologist. His findings may dictate an adjustment or withdrawal of the imposed deadline.
2. A sundry notice will be submitted to the District Office by Megadon detailing the construction plans for the pipeline between Bolinder 3-12 and the storage tanks on Bolinder 1-C. The plans will be subject to BLM modification and approval before work on the pipeline commences. An onsite may be required.
3. Stipulation 3 will be amended to read "The existing access road shall be upgraded to Class III standards by crowning and ditching with water bars and water turnouts as necessary (refer to BLM Surface Operating Standards, Figures 4 and 6). Changes in finished road design may be required by the BLM."

Adequate and sufficient electric/radioactive logs will be run to locate and identify anticipated coal beds in the Ferron Sandstone member of the Mancos Shale formation. Casing and cementing programs will be adjusted to eliminate any potential influence of the well bore or productive hydrocarbon zones on the coal resource. Surface casing program may require adjustment for protection of fresh water aquifers.

## ADDITIONAL STIPULATIONS FOR PRODUCTION FACILITIES

Your Application for Permit to Drill also included a submittal for production facilities. These production facilities are approved for the lessee and his designated operator under Section 1 of the Oil and Gas Lease with the following conditions:

- (1) The oil and gas measurement facilities must be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy are to be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. Please provide this office with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports are to be submitted to the Salt Lake City District Oil and Gas Supervisor. Royalty payments will be made on all production volume as determined by the meter measurements or the tank measurements. All measurement facilities must conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.
- (2) Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs must be housed and/or fenced.
- (3) All disturbed areas not required for operations will be rehabilitated.
- (4) All produced liquids must be contained including the dehydrator vent/condensate line effluent. All production pits must be fenced.
- (5) The well activity, the well status and the date the well is placed on production must be reported on Lessee's Monthly Report of Operations, Form 9-329.
- (6) All off-lease storage, off-lease measurement, or commingling on lease or off-lease must have written approval.
- (7) All product lines entering and leaving hydrocarbon storage tanks must be locked/sealed.
- (8) You are reminded of the requirements for handling, storing, or disposing of water produced from oil and gas wells under NTL-2B.
- (9) All materials, trash, junk, debris, etc. not required for production must be removed from the well site and production facility site at the completion of these operations.
- (10) A copy of the Gas Sales Contract will be provided to this office and the Royalty Accounting Department as directed.
- (11) Construction and maintenance for surface use approved under this plan should be in accordance with the surface use standards as set forth in the BLM/GS Oil and Gas Brochure entitled, "Surface Operating Standards for Oil and Gas Exploration and Development." This includes, but is not limited to, such items as road construction and maintenance, handling of top soil and rehabilitation.
- (12) "Sundry Notice and Reports on Wells" (form 9-331) will be filed for all changes of plans and other operations in accordance with 30 CFR 221.58. Emergency approval may be obtained verbally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alternations of facilities, including roads, gathering lines, batteries, measurement facilities, etc., will require the filing of a suitable plan and prior approval by the survey.



# MEGADON ENTERPRISES, INC.

~~309 Guaranty Bank Building - 817 17th St. - Denver, Colorado 80202 - (303) 573-0093~~  
57 West South Temple • Salt Lake City, Utah 84101 • (801) 359-3575

## DRILLING HISTORY ON BOLINDER #3-12 WELL

LOCATION: NW. NW. Section 12, T 16S, R 12E, Emery County, Utah (600' fr. N-line and 600' fr. w-line)

ELEVATION: 5352' Grd; and 5365' K.B.

CONTRACTOR: J & R Drilling Co. (Rig #3) Price, Utah

OPERATOR: Megadon Enterprises, Inc., Salt Lake City, Utah

CONDUCTOR CASING: 13 3/8", 54.50#, J-55 casing set at 40 ft. and cemented with returns to the surface

BEGAN DRLG: January 13, 1984 (11" hole)

FINISHED DRLG: February 2, 1984

CASING: 8 5/8", 24#, J-55 casing set at 3535' and cemented with 700 sks cement. Returns to surface.

TOTAL DEPTH: 3774'

PRODUCTION ZONES: 3560-3770'

COMPLETION DATE: Pending — Feb. 14-'84

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### Drilling

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Jan. 10-12: Moved in Rig #3 and rigged up.

Jan. 13: Began drilling 11" hole. Drilled 0'-91' (91'). Suspect some iron in hole. Drilling at rate of 10' to 14'/hr. with clear water. Bit #1 (Smith F-3) made 91 ft. in 6 hrs.

Jan. 14: Drilled 91' to 308' (217'). Drilling at rate of 14' to 20' per hr. in Cedar Mt. formation. Ran magnet in hole at 308' to recover iron and recovered only small pieces.

Jan. 15: Drilled 308' to 556' (248'). Went back in hole with Bit #1. Hooked up second pump (PZ7) with Duplex pump and compounded pumps. Began drilling ahead at 1100 hrs. Drilling at rate of 30 ft/hr. with pump pressure at 550# and 20,000# wt. on bit at 45 RPM. Survey at 500' was 10.

Jan. 16: Drilled 556' to 978' (422'). Drilling at rate of 19 ft/hr. using both pumps with 600# pressure, 48 RPM, and 35,000# wt. on bit. Drilling in purple, red to gray, calcareous sandstone and shale belonging to the

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Drilling History  
Bolinder #3-12 Well

Page 2

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Morrison formation. Made rd-trip at 842' for new bit. Bit #1 (Smith F-3) made 842' (0' to 842') in 57½ hrs. Drilled at an avg. rate of 15 ft/hr.

- Jan. 17: Drilled 978' to 1271' (293'). Drilling at avg. rate of 9 to 15 ft/hr. in lower Morrison, Summerville, and upper Curtis formations. Survey at 1271' was 4 3/4°. Triplex pump down at noon.
- Jan. 18: Drilled 1271' to 1443' (172'). Drilling at avg. rate of 7' to 9'/hr with only one pump, 400# pressure, 30,000# wt. on bit at 45 RPM. Drlg in light grey, glauconitic, calcareous, m.g., ss of Curtis formation. Drilled into red, calc., m.g. ss at 1340' which could be top of Entrada; but seems to be too high. Surveys at 1303' was 4½°; at 1397' was 5 3/4°. Decreased wt. on bit to 25,000# at 1397'.
- Jan. 19: Drilled 1443' to 1565' (122'). Survey at 1492' was 7°; at 1523' was 7½°. Decided to come out of hole to change position of reamers. Took bottom reamer off and put it at 90' from bottom and put second reamer at 240' from bottom. Bit #2 had 2 loose cones so went back in hole with Bit #1. Bit #2 (Smith F-3) made 681' (842' to 1523') in 63 hrs. Drilled at an avg. rate of 11 ft/hr. Very cold; -22° in the morning. Drilling in Entrada formation and only putting 20,000# wt on bit to straighten hole.
- Jan. 20: Drilled 1565' to 1652' (87'). Cold, -30°. Every thing froze. Water truck froze-up. Can't get water fast enough. Waited 3 hrs. on water and made short trip and drained lines. Drilling with 20,000# wt. at 65 RPM to straighten hole. Survey at 1586' was 7½°; survey at 1617' was 7¾°. Drilling slowly at 4 to 6 ft/hr. in lower Entrada and upper Carmel.
- Jan. 21: Drilled 1652' to 1823' (171'). Made rd-trip at 1716' to change bits. Bit #1 (Smith F-3 RR) drilled 193' more feet (1523-1716') in 30 hrs. Drilled at an avg. rate of 6 ft/hr. in Carmel formation. Survey at 1680' was 6½°; at 1716' was 5¾°. Drilling with 2200# wt. on bit at 65 RPM. using clear water. Pump pressure at 400# with Duplex pump, 6" liners, and 14" stroke at 60 strokes/minute.
- Jan. 22: Drilled 1823' to 2033' (210'). Estimate top of Navajo at 1980'. Drilling rate decreased from 10 ft/hr. to 5 ft/hr. in a wh. to clr. hd. f.g. ss. Drilling with water with 30,000# on bit at 60 RPM. Survey at 1837' was 4°; at 1996' was 2 3/4°.
- Jan. 23: Drilled 2033' to 2223' (190'). Drilling in Navajo sand at rate of 9 ft/hr with water, 30,000# on bit, at 60 RPM and 400# pump pressure at 60 strokes/min. with 6" liners and 14" stroke. Down 2 hrs. for work on pump. Survey at 2185' was 1 3/4°.
- Jan. 24: Drilled 2223' to 2375' (152'). Drilling at rate of 6 to 7 ft/hr. with 30,000# wt. on bit at 60 RPM. with water for circulation. Drilling in Navajo sand.
- Jan. 25: Drilled 2375' to 2534' (159'). Made rd-trip at 2471' for different bit. Bit #3 (Smith F-4) made 948' (1523' to 2471') in 84 hrs. Drilled at avg.

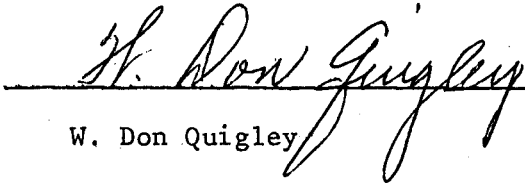


rate of  $11\frac{1}{2}$  ft/hr. Estimate top of Kayenta at 2390' and top of Wingate at 2490'. Went back in hole with Bit #1.

- Jan. 26: Drilled 2534' to 2754' (220'). Drilled at an avg. rate of 10 ft/hr. Drilling in Wingate sand and shale. Bit #1 drilling good.
- Jan. 27: Drilled 2754' to 2916' (162'). Made rd-trip at 2850' for new bit. Bit #1 made 1414' in 131 hrs. Drilled at an avg. rate of 11 ft/hr. Survey at 2850' was  $2\frac{3}{4}^{\circ}$ . Casing (86 jts., 3556')  $8\frac{5}{8}$ " arrived and was unloaded at 0400 hrs. Drilling at avg. rate of 9 to 11 ft/hr. Estimate top of Chinle at 2880'.
- Jan. 28: Drilled 2916' to 3131' (215'). Drilling at avg. rate of 9 ft/hr. in Chinle and Shinarump formations. Estimate top of Shinarump at 3030'. Drilling with Bit #4 with water at 600# pump pressure, 38,000# wt. on bit at 60 RPM.
- Jan. 29: Drilled 3131' to 3352' (221'). Estimate top of Moenkopi at 3140'. Drilling at rate of 10 to 12 ft/hr. with water, 35,000# weight on bit, 60 RPM. and 600# pump pressure. Drilling in red shale and siltstone with some thin sandstone beds.
- Jan. 30: Drilled 3352' to 3560' (208'). Drilled to 3560' and decided this was deep enough for casing. Lost returns while circulating so came out of hole to log hole. Found that top of fluid was 300 feet below surface. Ran a gamma-Induction log of hole. Log depth was 3542', so had about 18 feet of fill on bottom. Finished logging at 2400 hrs.
- Jan. 31: Rigged down Welex loggers and rigged up to run casing. Very cold - about  $20^{\circ}$  below zero. Ran 86 jts. of  $8\frac{5}{8}$ ", 24.00#, EK casing and landed at 3535' K.B. Had about 25 ft. of fill in bottom of hole. Ran 2 cement baskets and 10 centralizers on casing with guide shoe on the bottom and float collar on top of first joint (40 feet up). Finished running casing at 0600 hrs. Began cementing at 0730 hrs after thawing out valves on pump truck. Ran 15 sks of gel and sawdust ahead of cement. Ran 500 sks of light cement with 5% gilsonite and 3 lbs/sk of mica flakes first and then 200 sks of RFC cement on bottom. Had good cement returns to the surface. Plug down at 1030 hrs. Waited on cement to set.
- Feb. 1: Waiting on cement to set. Began nipping up to drill ahead with air at 1200 hrs. Cut off  $13\frac{3}{8}$ " casing and welded to the  $8\frac{5}{8}$ " casing. Cut off  $8\frac{5}{8}$ " casing and welded on head. Mounted BOP on casing head and rotating head on top of BOP. Rigged up air compressors (Air Drilling Service).
- Feb. 2: Drilled 3560' to 3693' (133'). Finished rigging up to drill ahead with air at 0030 hrs. Started in hole with  $7\frac{7}{8}$ " bit and drill string. Unloaded water out of casing in stages of 700 ft. Drilled out cement, float collar, and shoe. Had a flow of gas and oil immediately below casing shoe. Gas burned with 20 ft. flare for 2 minutes and oil saturated the air-mist stream. Began drilling ahead with air mist at 1700 hrs. Drilling at rate of 20 ft/hr. Good shots of oil continuous.

Feb. 3: Drilled 3693' to 3774' (81'). Finished drilling at 1400 hrs. Circulated for 3 hrs. Pumped down 20 bbls. of mud in bottom of hole to log hole. Came out of hole with drill string. Bit #5 (Reed YS51J) made 214' (3560' to 3774') in 8 hrs. Drilled at an avg. rate of 27 ft/hr. Decided that 3774' was deep enough and should be just above top of Sinbad section. Waited on loggers. Began logging bottom of hole at 0930 hrs. Finished logging at 1430 hrs. Began laying down drill collars and drill pipe. Released rig at 2400 hrs.

Will run tubing and begin swabbing well as soon as the big rig is moved off.

  
W. Don Quigley

Drill Rate Brander # 3-12

W.H. / ft

NW. NW. Sec 12, T16S, R12E  
Elev. 5365'

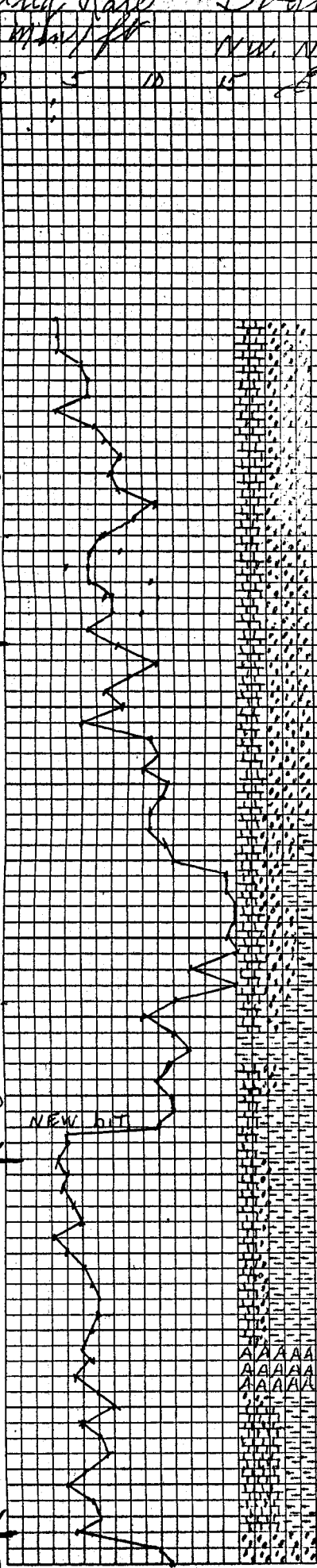
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46 0862

5 X 5 TO 1/2 INCH • 7 X 10 INCHES  
KEUFFEL & ESSER CO. MADE IN U.S.A.

1100  
1200  
1300  
1400  
1500  
1600  
1700  
1800  
1900  
2000



LT. gray calc. gravel, mg. ss.

Rd calc. mg. ss.

W/ some ch. & ban xlm. ms.

+ some c.g. cln. ss.

+ dk. low hd slst

Rd calc. slst. → dk gray calc sh, purple sh

+ g.n. bent sh

Rd. lg. to mg. calc. ss. + varic. sh.

+ rd. calc. slst

Rd. - ban calc. slst; gam, gray & dk gray calc sh.

LT gray, dk gray, gray & pur. bent. sh.

Rd. dk gray, gray & pur. calc. sh. & slst.

LT gray-gam, dk gray calc. sh.

+ rd. sh. shaly

gan-gray calc sh. & slst

+ xlm. shaly

W. xlm. shaly

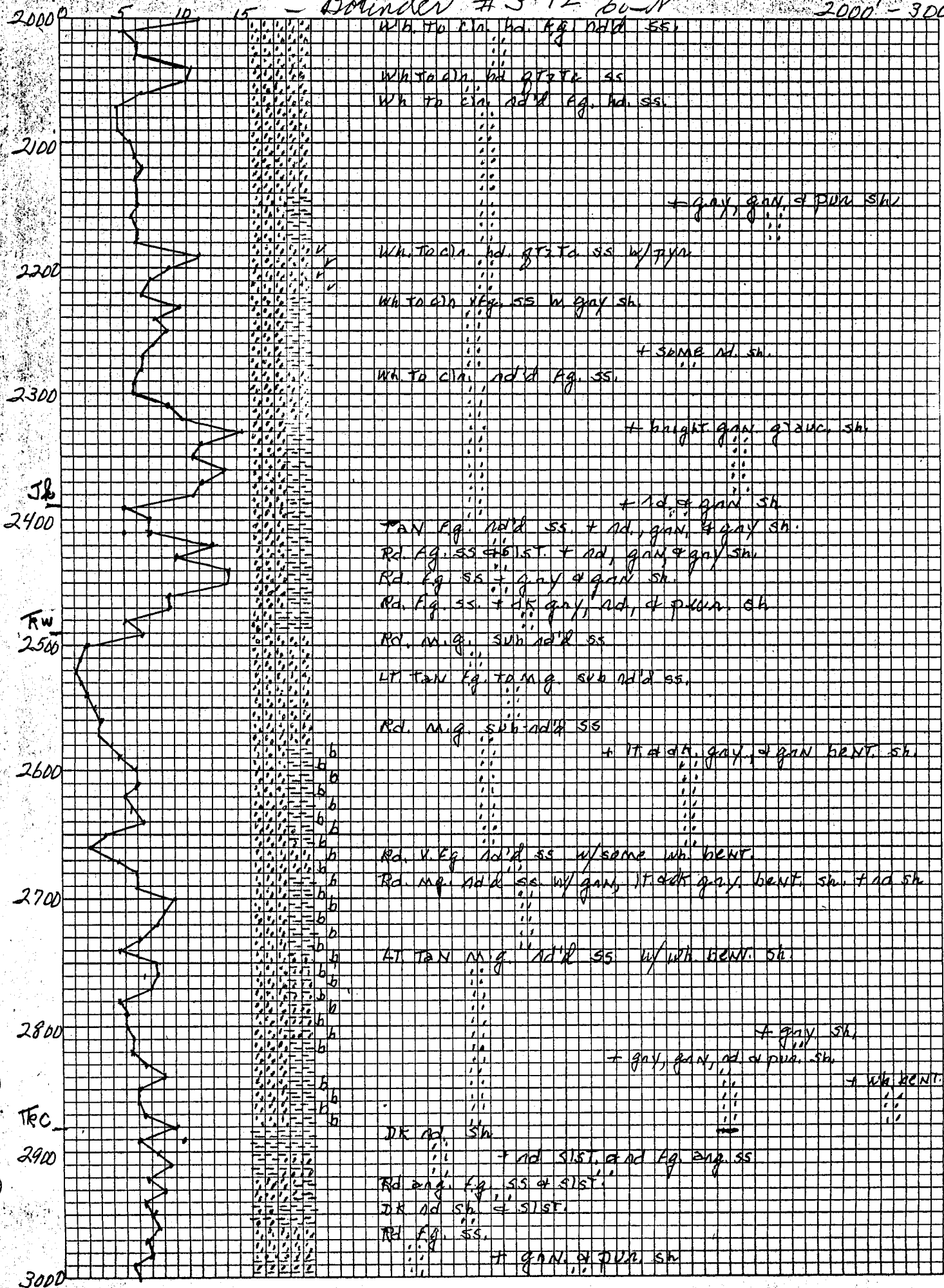
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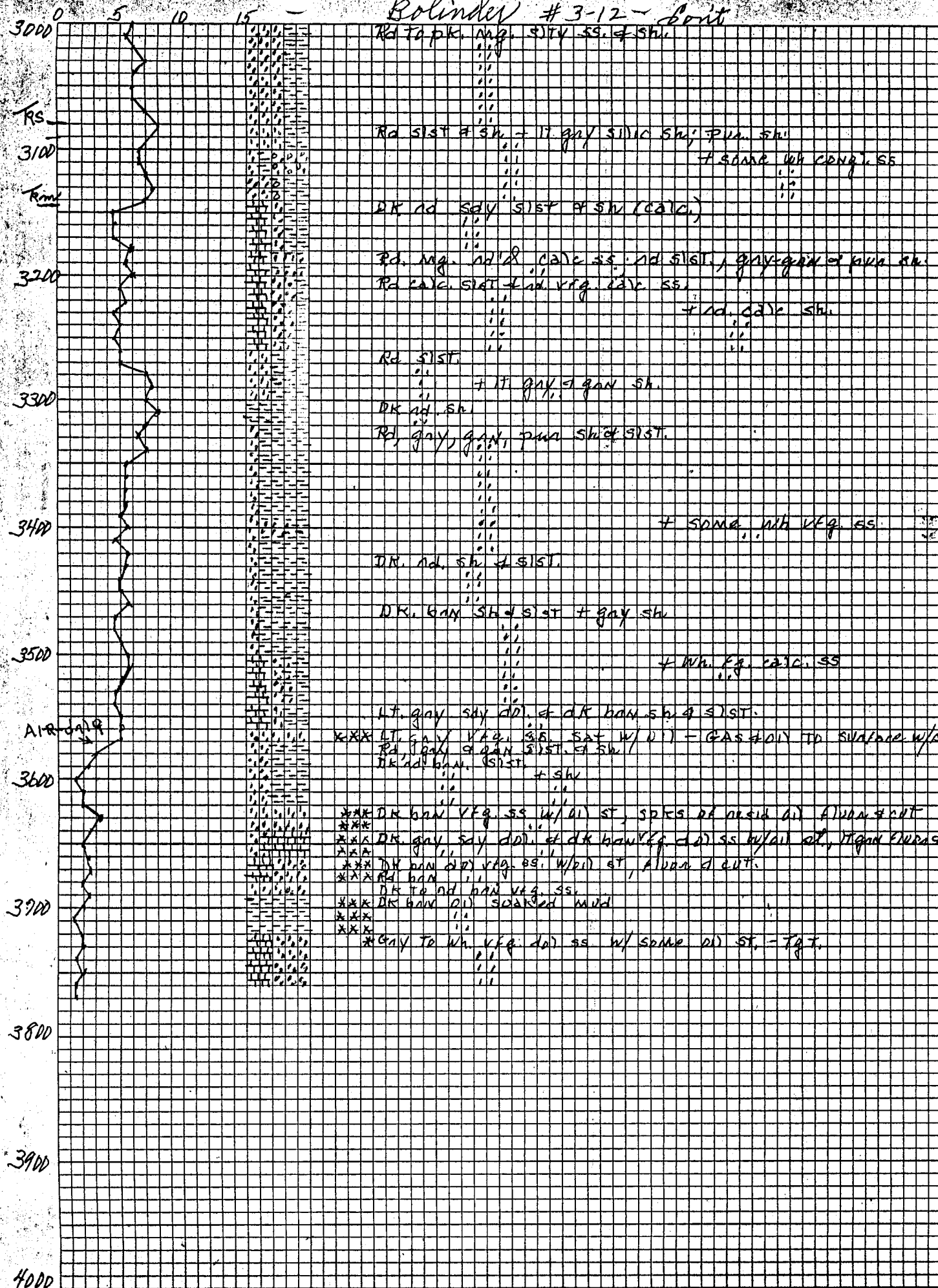
W. sh. cln. hd. gtzic ss

# Bohinder # 3-12 60'N

2000' - 3000'



Ad to pk, mg, sty ss, & sh.





# MEGADON ENTERPRISES, INC.

309 Guaranty Bank Building • 817 17th St. • Denver, Colorado 80202 • (303) 573-0093  
57 West South Temple • Salt Lake City, Utah 84101 • (801) 359-3575

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COMPLETION WORK  
ON  
BOLINDER #3-12 WELL

DIVISION OF  
OIL, GAS & MINING

## February 9, 1984:

Pressure on casing = 60#. Installed tubing head. Rigged up Thunderbird Well Service Rig #2. Unloaded 2 7/8" tubing (119 jts.-3798' w/threads). Picked up tubing and ran in hole with perforated joint and seating nipple on bottom. Encountered bottom at 3765'. Installed stripper rubber and adapter ring.

1800 Hrs: Shut well in and sent crew home.

## February 10, 1984:

0800 Hrs: Crew arrived. Rigged up to swab.

0900 Hrs: Began swabbing. Fluid level at 1500' from surface. First run - mostly mud and soapy water.

1000 Hrs: Fluid level in flat tank at 2'3". Swabbed 54 bbl fluid in 1st hr.

1200 Hrs: Fluid level in tank at 4'3". Swabbed 50 bbl fluid in 2 hrs. - mostly soapy, gas cut water with film of oil. Fresh water. Fluid level in hole staying at about 3200' below surface.

1300 Hrs: Fluid level in tank at 4'10". Swabbed 15 bbl fluid in 1 hr. - mostly oil - highly gas cut.

1400 Hrs: Tank gauge = 5'4 1/4". Swabbed about 13 bbl oil in 1 hr. (all oil).

1500 Hrs: Tank gauge = 1'7". Drained water off. (42 bbl oil in tank.)

1600 Hrs: Tank gauge = 2'0" (made 11 bbls. in one hr.) Total amount of oil is 53 bbls. Broke swab line.

1600-1700 Hrs: Re-strung sand line. Poured new rope socket. Installed flags on line.

1800 Hrs: Tank gauge = 2'6". Swabbed 13 bbl. oil in one hr. Total of 66 bbls. of oil in 5 hrs swabbing. Shut well in and sent crew home.

## February 11, 1984:

0800 Hrs: Crew arrived. Began swabbing. Fluid level at 3000' below surface (750' fluid in hole). Tank gauge = 2'5". First run had some gel and water in the bottom. Second run had about 15% water and gel. Third and fourth runs were all oil.

0900 Hrs: Tank gauge = 3'2" (83 1/2 bbls). Swabbed 17 bbl. in first hr.

1000 Hrs: Drained water off tank.

1030 Hrs: Well started flowing gas and oil. Tank gauge = 3'8".

- 1100 Hrs: Tank gauge = 3'9". Flowed 2 bbl oil with lots of gas. Quit flowing oil - just gas. Made swab run and found tubing dry. Bled gas off casing. Poured new rope socket.
- 1200 Hrs: Made swab run and recovered no oil.
- 1230 Hrs: Made run and recovered no oil.
- 1330 Hrs: Made run and recovered no oil. Had truck haul 80 bbl. oil to tank on #1-c well. Came out of hole to check tubing for leaks. Found none so went back in hole.
- 1700 Hrs: Made swab run and recovered no fluid. Went back in and milked swab several times and recovered 2 bbl of oil. Made 2 more runs and recovered 1 bbl oil each run.
- 1800 Hrs: Tank gauge = 1'2" (30 bbl. oil). Left well open. Sent crew home. (Recovered 28 bbl. oil today.)

February 12, 1984:

- 0900 Hrs: Crew arrived. Tank gauge = 1'2" (31 bbl). Fluid level at 3600' below surface. (150' of fluid in hole.) First run recovered 100' of black-gelly like oil. Second run recovered 600' of fluid (50% drilling water and 50% green oil). Next run recovered 1000' of fluid (mostly oil).
- 1000 Hrs: Tank gauge = 1'8" (44 bbls). Swabbed 13 bbl fluid in first hr.
- 1100 Hrs: Tank gauge = 2'½" (54 bbls). Swabbed 10 bbl oil in second hr.
- 1200 Hrs: Tank gauge = 2'1½" (56 bbls). Made 2 bbl oil in third hr. Drained off 5 bbl of water. Tank gauge = 1'11".
- 1430 Hrs: Tank gauge = 2'2½" (58 bbls oil). Made about 8 bbl oil in 2½ hrs.
- 1730 Hrs: Tank gauge = 2'4½" (63 bbls oil). Well made 5 bbls oil in 3 hrs. Swabbed a total of 32 bbls oil today in 8½ hrs. Sent crew home.

February 13, 1984:

- 0800 Hrs: Tank gauge = 2'4" (62 bbls). Crew arrived. Gas continuous out casing. Fluid level at 3700'. First run was dry. Standing valve must be stuck. Second run pulled 700' fluid (10% water). Third run pulled 700' fluid (all oil). Fourth run pulled 800' fluid (all oil).
- 0900 Hrs: Tank gauge = 3'0" (79 bbls). Made 17 bbl in first hr.
- 1030 Hrs: Tank gauge = 3'2 3/4" (85 bbls). Made 6 bbl. oil in 1½ hrs.
- 1130 Hrs: Tank gauge = 3'4½" (88 bbls). Made 3 bbl. oil in one hr.
- 1400 Hrs: Tank gauge = 3'5½" (91 bbls). Well made 3 bbl. oil in 2½ hrs.
- 1500 Hrs: Tank gauge = 3'6½" (93 bbls). Well made 2 bbl in one hr. Swabbed 31 bbl. oil in 7 hrs. Started out of hole with tubing. Took out standing valve. Installed 2 3/8" seating nipple, 2 3/8" standing valve (fishable) and 4 ft. 2 7/8" pup joint and 6' perforated nipple with bull plug in bottom below 2 7/8" seating nipple.

1700 Hrs: Went back in hole with tubing and landed seating nipple at 3750' (58 stds of tubing in hole).

1830 Hrs: Installed tubing slips and pack off rings... Sent crew home.

February 14, 1984:

0800 Hrs: Tank gauge = 3'6" (92 bbls). Fluid level at 3400'. First run pulled 700' oil. Second run pulled 1100' oil.

0900 Hrs: Tank gauge = 3'10½" (102 bbls).

1130 Hrs: Tank gauge = 4'5" (117 bbls). Swabbed 25 bbl oil in 3½ hrs.

1230 Hrs: Began running pump and rods. Hauled 115 bbl oil to tank on #1-C well.

1530 Hrs: Finished running rods. Seated and spaced out pump.

1600 Hrs: Shut well in and sent crew home.



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE\*

(See other in-  
structions on  
reverse side)Form approved.  
Budget Bureau No. 42-R355.5.

5. LEASE DESIGNATION AND SERIAL NO.

U-015639-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

FEDERAL

9. WELL NO.

BOLINDER #3-12

10. FIELD AND POOL, OR WILDCAT

GRASSY TRAILS

11. SEC., T., R., M., OR BLOCK AND SURVEY  
OR AREANW.NW. SEC. 12-16S-12E.  
SLM.12. COUNTY OR  
PARISH  
EMERY

13. STATE

UTAH

1a. TYPE OF WELL:

OIL  
WELL☒GAS  
WELL☐

DRY

Other

b. TYPE OF COMPLETION:

NEW  
WELL☒WORK  
OVER☐DEEP-  
EN☐PLUG  
BACK☐DIFF.  
RESVR.☐

Other

2. NAME OF OPERATOR

MEGADON ENTERPRISES INC.

3. ADDRESS OF OPERATOR

SUITE 253, 57 WEST SOUTH TEMPLE, SALT LAKE CITY, UT. 84101

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*

At surface NW $\frac{1}{4}$  NW $\frac{1}{4}$ , SECTION 12, T 16S, R 12E, SLM.At top prod. interval reported below (600' FR. N-LINE AND 600' FR. ~~E~~-LINE)

At total depth

14. PERMIT NO.

DATE ISSUED

43-05-30178

15. DATE SPUDDED

1-13-84

16. DATE T.D. REACHED

2-2-84

17. DATE COMPL. (Ready to prod.)

2-14-84

18. ELEVATIONS (DF, REB, RT, GR, ETC.)\*

5352' Grd; 5365' K.B.

19. ELEV. CASINGHEAD

5353'

20. TOTAL DEPTH, MD &amp; TVD

3774'

21. PLUG, BACK T.D., MD &amp; TVD

22. IF MULTIPLE COMPL.,  
HOW MANY\*23. INTERVALS  
DRILLED BY

ROTARY TOOLS

CABLE TOOLS

10'-3774'

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*

3560-3770' (OPEN HOLE) MOENKOPI

25. WAS DIRECTIONAL  
SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

GAMMA INDUCTION AND GAMMA-DENSITY-CNL

27. WAS WELL CORED

NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	54.40#	40'	17 1/2"	20 SKS	0
8 5/8"	24.00#	3535'	11"	700 SKS	0

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)

OPEN HOLE

3535' - 3774'

DIVISION OF  
OIL, GAS & MINING

ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

33.\* PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
2-10-84		33 BBL. OIL SWABBING				PRODUCING	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
2-10-14	8 HRS. EA		→	30 BBL.	5 MCF	0	1:6
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
0	200#	→	30 BBL	5 MCF	0	39	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

VENTED AND USED FOR PUMPING

TEST WITNESSED BY

W. DON QUIGLEY

35. LIST OF ATTACHMENTS

DRILLING &amp; COMPLETION HISTORIES AND SAMPLE LOG

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

W. Don Quigley

TITLE

PRESIDENT

DATE 2-29-84

\*(See Instructions and Spaces for Additional Data on Reverse Side)

## INSTRUCTIONS

**General:** This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions. If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

**Item 4:** If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

**Item 18:** Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

**Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

**Item 33:** Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

### 37. SUMMARY OF POROUS ZONES:

SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
CEDAR MT.	SURFACE	420'	SAND, SHALE, AND SILTSTONE
MORRISON	420'	1060'	SAND, SHALE, AND SILTSTONE
SUMMERVILLE	1060'	1205'	RED SHALE AND SILTSTONES
CURTIS	1205'	1415'	GREEN AND GRAY SHALE, SILTSTONE
ENTRADA	1415'	1740'	SANDSTONE
CARMEL	1740'	1990'	GRAY SHALE, SILTSTONE, AND SANDSTONE
NAVAJO	1990'	2390'	HARD, QTZFC. SS.
KAYENTA	2390'	2495'	TAN TO RD SILTST. AND SS.
WINGATE	2495'	2895'	RED, ROUNDED, M.G. SS
CHINLE	2895'	3090'	RED, GREY, PUR. GRN. SH. AND SS.
SHINARUMP	3090'	3180'	RED SH AND SILTST. AND SOME CONGL. SS.
MOENKOPI	3180'	TD	RED SHALE, SILTST., AND SOME LMS AND DOLOMITIC SS.
PRODUCTION ZONES	3560'	3770'	BRN. DOLOMITIC SANDS.

**38.**

## GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
IC		

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPI  
(Other instructions  
verse side)

Budget Bureau No. 1004-0135  
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON RECEIVED

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		JAN 17 1986	
2. NAME OF OPERATOR MEGADON ENTERPRISES INC.			
3. ADDRESS OF OPERATOR SUITE 360, 57 WEST SOUTH TEMPLE, SALT LAKE CITY, UT 84101			
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface NW. NW. SECTION 12, T 16S, R 12E., SLM 600' FR. N-LINE AND 600' FR. W-LINE			
14. PERMIT NO.		15. ELEVATIONS (Show whether DF, RT, OR, etc.) 5352 GRD; 5362' K.B.	
12. COUNTY OR PARISH EMERY		13. STATE UTAH	

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) DRILL DRAIN HOLES <input checked="" type="checkbox"/>	
(Other) <input type="checkbox"/>		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

It is planned to drill one or two drain holes (6 1/4") horizontally from the well bore, approximately 500' in length, in a NE and SW direction in the pay zone interval to intersect additional vertical fracture systems and thus improve the production. The attached drawing shows the approximate positions of the drain holes. The work will be done with rotary tools, with blowout preventer and rotating head installed on top of the casing head. Air, soap, and water will be used for circulation. The blowie line will be an enclosed system equipped with gas buster, cuttings tank, and fluid recovery tanks. It is planned to begin the work on or about February 1, 1986.

ACCEPTED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

Federal approval of this action  
is required before commencing  
operations.

DATE: 2/4/86  
BY: John R. Baya

18. I hereby certify that the foregoing is true and correct

SIGNED: W. Ron Gungley TITLE: PRESIDENT DATE: 1-16-86  
(This space for Federal or State office use)

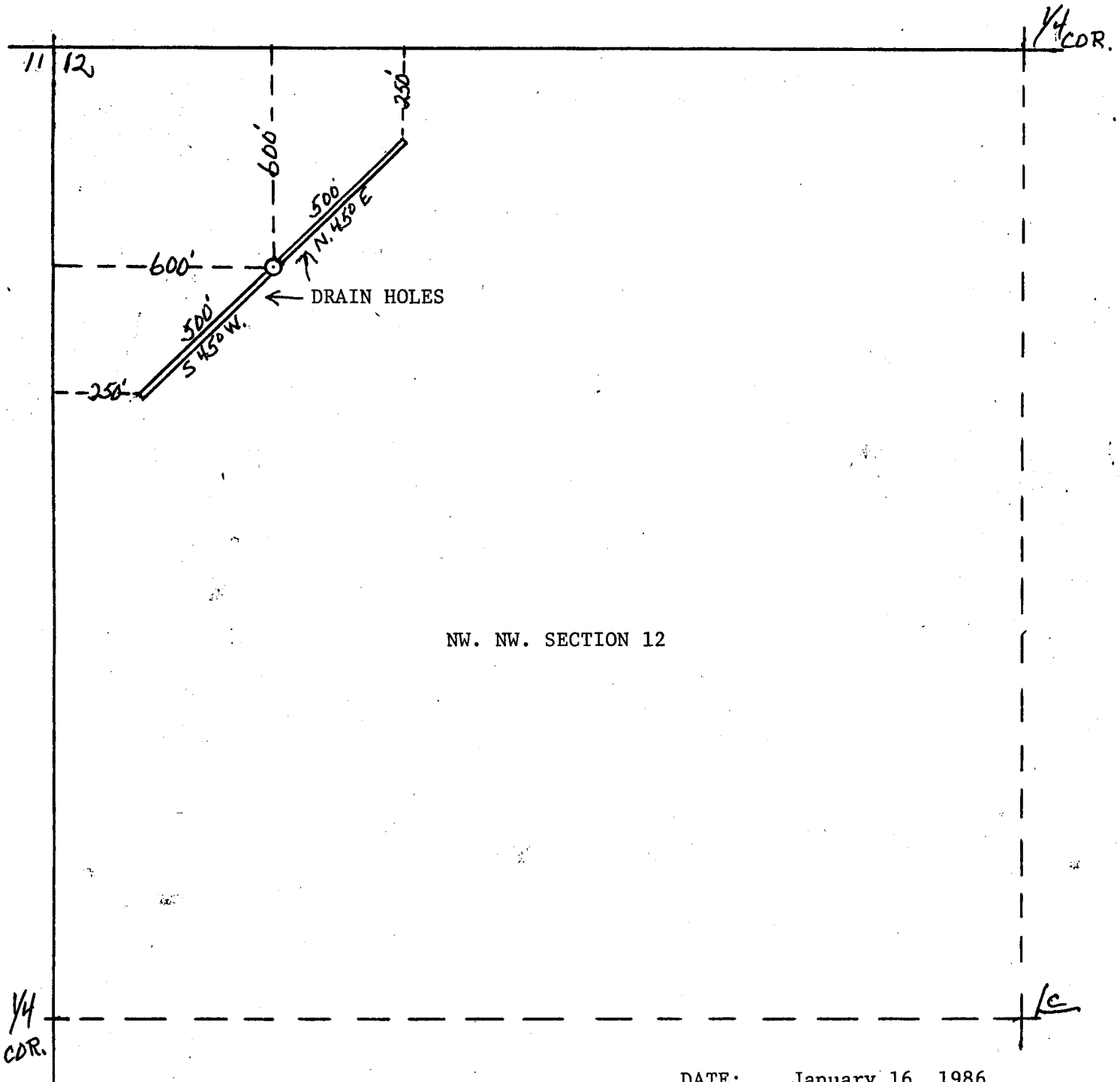
APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

Operator should copy the Division with any operational information such as directional surveys or production test information which is required under federal approval.  
\*See Instructions on Reverse Side

MEGADON ENTERPRISES INC.  
BOLINDER #3-12 WELL  
NW. NW. SECTION 12, T 16S, R 12E.  
EMERY COUNTY, UTAH

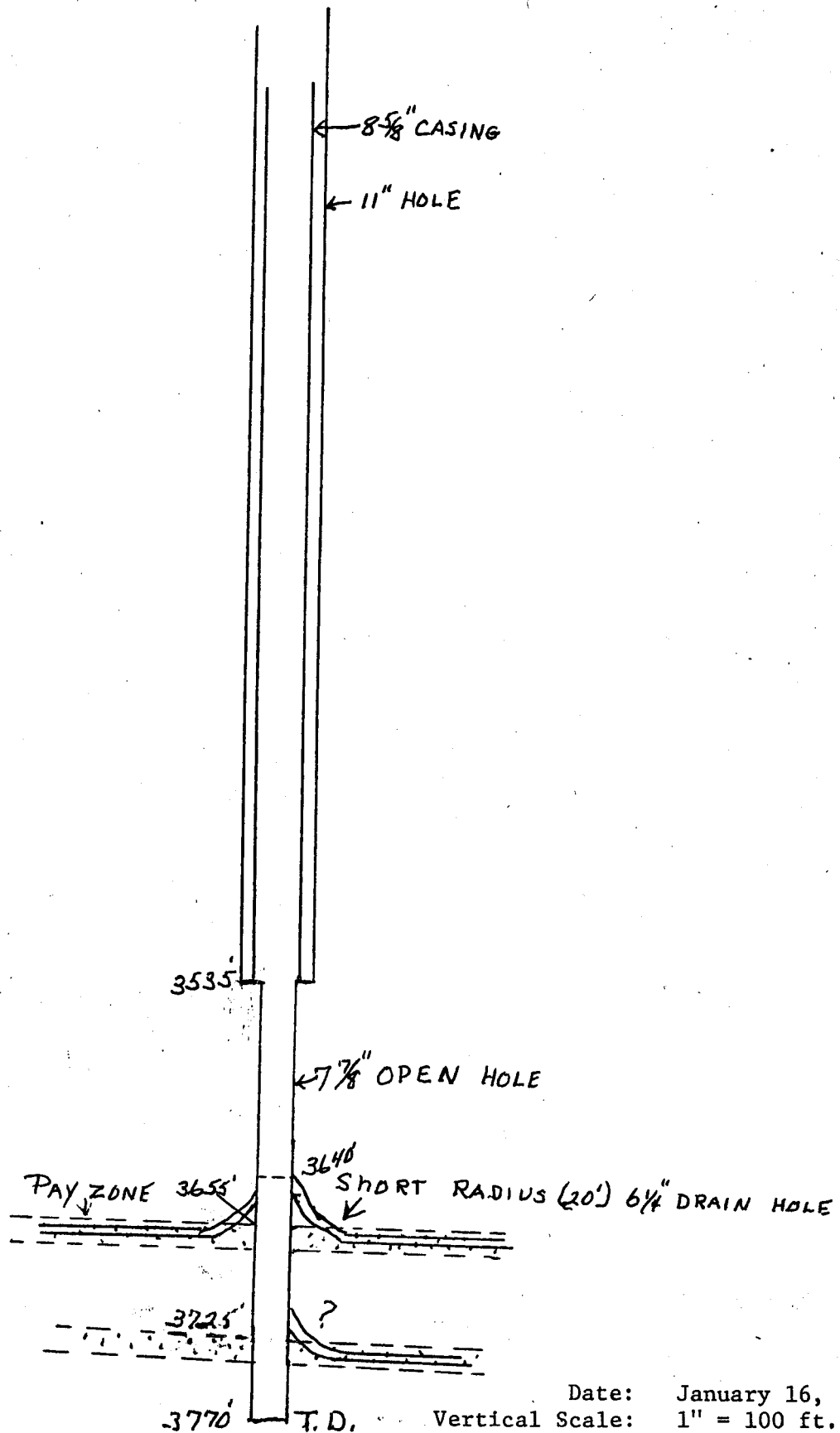
HORIZONTAL SKETCH OF DRAIN HOLES



DATE: January 16, 1986  
SCALE: 1" = 400 ft.

MEGADON ENTERPRISES INC.  
BOLINDER #3-12  
NW. NW. SECTION 12-16S-12E.  
EMERY COUNTY, UTAH

VERTICAL SKETCH OF DRAIN HOLES



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: U-015639-A
2. NAME OF OPERATOR: Megadon Energy Corporation N0620		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 3522 Country Manor Road CITY Salt Lake City STATE UT ZIP 84121		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (801) 947-0482		8. WELL NAME and NUMBER: Bolinder Federal #3-12
4. LOCATION OF WELL FOOTAGES AT SURFACE: 600' FNL 600'FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 16S 12E		9. API NUMBER: 4301530178
		10. FIELD AND POOL, OR WILDCAT: Grassy Trail
		COUNTY: EMERY STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Change of Operator</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Megadon Energy Corp., is requesting a change of operator to the following:

Pride Ventures, LLC  
P.O. Box 328  
Bloomfield, NM 87413  
505-325-7707

N2845

BOND # UT1147

The effective date as of October 26, 2007.

By: Sherrill Bateman  
Megadon Energy Corp.

Title: President

Signature: Sherrill Bateman Date: 12/28/07

RECEIVED

JAN 04 2008

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>James Woosley</u>	TITLE <u>Managing Member</u>
SIGNATURE <u>James Woosley</u>	DATE <u>01/03/08</u>

(This space for State use only)

APPROVED 1/31/2008

Earlene Russell  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

**Division of Oil, Gas and Mining**  
**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. DJJ

2. CDW

**X - Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

**10/26/2007**

**FROM: (Old Operator):**

N0620-Megadon Energy Corporation  
 3522 Country Manor Rd  
 Salt Lake City, UT 84121

Phone: 1 (801) 947-0782

**TO: ( New Operator):**

N2845-Pride Ventures, LLC  
 PO Box 328  
 Bloomfield, NM 87413

Phone: 1 (505) 325-7707

**CA No.**

**Unit:**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
BOLINDER C-1	12	160S	120E	4301515603	10917	Federal	OW	S
BOLINDER FED 3-12	12	160S	120E	4301530178	10918	Federal	OW	S

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 1/4/2008
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 1/4/2008
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 1/28/2008
- Is the new operator registered in the State of Utah: yes Business Number: 5942629-0161
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: \_\_\_\_\_
- Reports current for Production/Disposition & Sundries on: \_\_\_\_\_
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: \_\_\_\_\_
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: \_\_\_\_\_
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: \_\_\_\_\_

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 1/31/2008
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 1/31/2008
- Bond information entered in RBDMS on: \_\_\_\_\_
- Fee/State wells attached to bond in RBDMS on: \_\_\_\_\_
- Injection Projects to new operator in RBDMS on: \_\_\_\_\_
- Receipt of Acceptance of Drilling Procedures for APD/New on: \_\_\_\_\_

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: UT1147
  - Indian well(s) covered by Bond Number: \_\_\_\_\_
  - (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number \_\_\_\_\_
  - The **FORMER** operator has requested a release of liability from their bond on: \_\_\_\_\_
- The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: \_\_\_\_\_

**COMMENTS:**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.  
U-015639-A

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
Pride Ventures, LLC

3a. Address  
P.O. Box 328  
Bloomfield, NM 87413

3b. Phone No. (include area code)  
505-325-7707

7. If Unit of CA/Agreement, Name and/or No.  
N/A

8. Well Name and No.  
Bolinder Federal #3-12

9. API Well No.  
4301530178

10. Field and Pool or Exploratory Area  
Grassy Trail

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
NWNW Section 12, T16S, R12E  
600' FNL 600' FWL

11. Country or Parish, State  
Emery, Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Well returned to production on March 21, 2008.

RECEIVED

MAR 26 2008

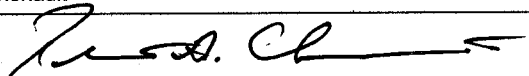
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)  
Robert G. Chenault

Title Registered Agent

Signature



Date

3-24-08

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.  
U-015639-A

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
Pride Ventures, LLC.

3a. Address  
P.O. Box 328  
Bloomfield, NM 87413

3b. Phone No. (include area code)

505-325-7707

7. If Unit of CA/Agreement, Name and/or No.  
N/A

8. Well Name and No.  
Bolinder Federal #3-12

9. API Well No.  
4301530178

10. Field and Pool or Exploratory Area  
Grassy Trail

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
NWNW Section 12, T16S, R12E  
600' FNL 600' FWL

11. Country or Parish, State  
Emery, Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Change of Operator</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

As of October 26, 2007, Pride Ventures, LLC, is requesting it be listed as operator of the aforementioned well.

Contact information:

Pride Ventures, LLC  
P.O. Box 328  
Bloomfield, NM 87413-0328  
BLM Bond #UT1147

RECEIVED  
N/A S FIELD OFFICE  
2008 APR 21 AM 10:30

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Robert G. Chenault

Title Registered Agent

Signature

Date

4-11-08

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

ACCEPTED

Division of Resources

Date

4/22/08

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

(Instructions on page 2)

cc: W006m

Conditions Attached

APR 24 2008

DIV OF OIL, GAS & MINING

Pride Ventures, LLC  
Well No. Bolider 3-12  
Section 12, T16S, R12E  
Lease UTU015639A  
Grand County, Utah

#### CONDITIONS OF ACCEPTANCE

Acceptance of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Pride Ventures, LLC is considered to be the operator of the above well effective October 26, 2007, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UTB000277 (Principal – Pride Ventures, LLC) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43CFR 3106.7-2 continuing responsibility are met.



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Price Field Office  
125 South 600 West  
Price, UT 84501  
(435) 636-3600 Fax: (435) 636-3657  
<http://www.blm.gov/utah/price/>



IN REPLY REFER TO:

3160

U-015639-A

SEP 29 2008

RECEIVED

OCT 01 2008

CERTIFIED MAIL NUMBER – 7008 0150 0002 0895 8856  
RETURN RECEIPT REQUESTED

DIV. OF OIL, GAS & MINING

Robert G. Chenault  
Pride Ventures, LLC  
P.O. Box 328  
Bloomfield, NM 87413

43-015-30178

Re: Well No. Bolinder Federal 3-12  
NWNW-Sec. 12-T16S-R12E  
Carbon County, Utah  
Lease No. U-015639-A

Dear Mr. Chenault:

The Application for Permit to Drill (APD) the above referenced well, submitted 9/12/2008 is being returned unapproved. The well is currently producing in a producing status and therefore Pride Ventures, LLC needs only to submit a Sundry Notice (Form 3160-5) to request the recompletion of this well location.

The Consolidated Appropriations Act requires a \$4,000.00 processing fee for each APD. This requirement became effective on December 26, 2007, when the President signed this Act. The BLM Price Field Office is currently processing your refund of this fee.

If you have any questions regarding this matter, please contact Katie Nash at (435) 636-3614.

Sincerely,

\s\ Michael Stiewig

Michael Stiewig  
Field Manager

Enclosures

cc: UDOGM

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

U-015639-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CO-AGREEMENT NAME:

N/A

8. WELL NAME and NUMBER:

Bolinder Federal 3-12

9. API NUMBER:

4301530178

10. FIELD AND POOL, OR WLOCAT:

Grassy Trail 25

1. TYPE OF WELL

OIL WELL ☒GAS WELL ☐OTHER ☐

2. NAME OF OPERATOR:

Pride Ventures, LLC

3. ADDRESS OF OPERATOR:

P.O. Box 328

CITY Bloomfield

STATE NM

ZIP 87413

PHONE NUMBER:

(505) 325-7707

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 665' FNL 715' FWL

540723 X 43669954 39.453442

-110.526693

COUNTY: Emery

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 16S 12E

STATE:

UTAH

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>6/18/2009</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This is a producing oil well and we intend to increase the production by horizontal drilling as follows:

1. Prepare location by removing pumping equipment and working on wellhead, etc.
2. Move in rig lay down tubing and rods.
3. Run gauge ring with junk basket, gamma ray and cement bond logs with collar locator; Trip 2 will run hoist operation gyro.
4. Set 8 5/8" cast iron bridge plug with wireline @ 3560'.
5. Set whipstock with drill pipe at 3550' with gyro orientation at 135 azimuth - confirm down hole azimuth readings are corrected to true north - tag bridge plug with whipstock to set slips and anchor.
6. Mill window and dress until smooth.
7. Start building 18.48 azimuth with a 6 1/8" bit. Note: weight will be provided by 3 1/2" HWDP.
8. Continue drilling with 18.48 azimuth until we reach 90 degrees at 3660' vertical depth (production zone).
9. Start 992.29 to hold at 3836.94 MD.
10. Continue horizontal drilling to TD of 4829.23' (see attached Weatherford Horizontal Planning Report).
11. Circulate hole clean, lay down all drilling equipment and return well to production.

NOTE: TD of 4829.23 will end drill hole at 970' FNL and 1980' FWL

541109X 39.452625  
43669074 -110.522211

NAME (PLEASE PRINT) Robert G. Chenault

TITLE Registered Agent

SIGNATURE

DATE

3-19-09

(This space for State use only)

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

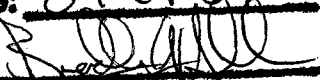
(5/2000)

(See Instructions on Reverse Side)

Date:

04-29-09

By:



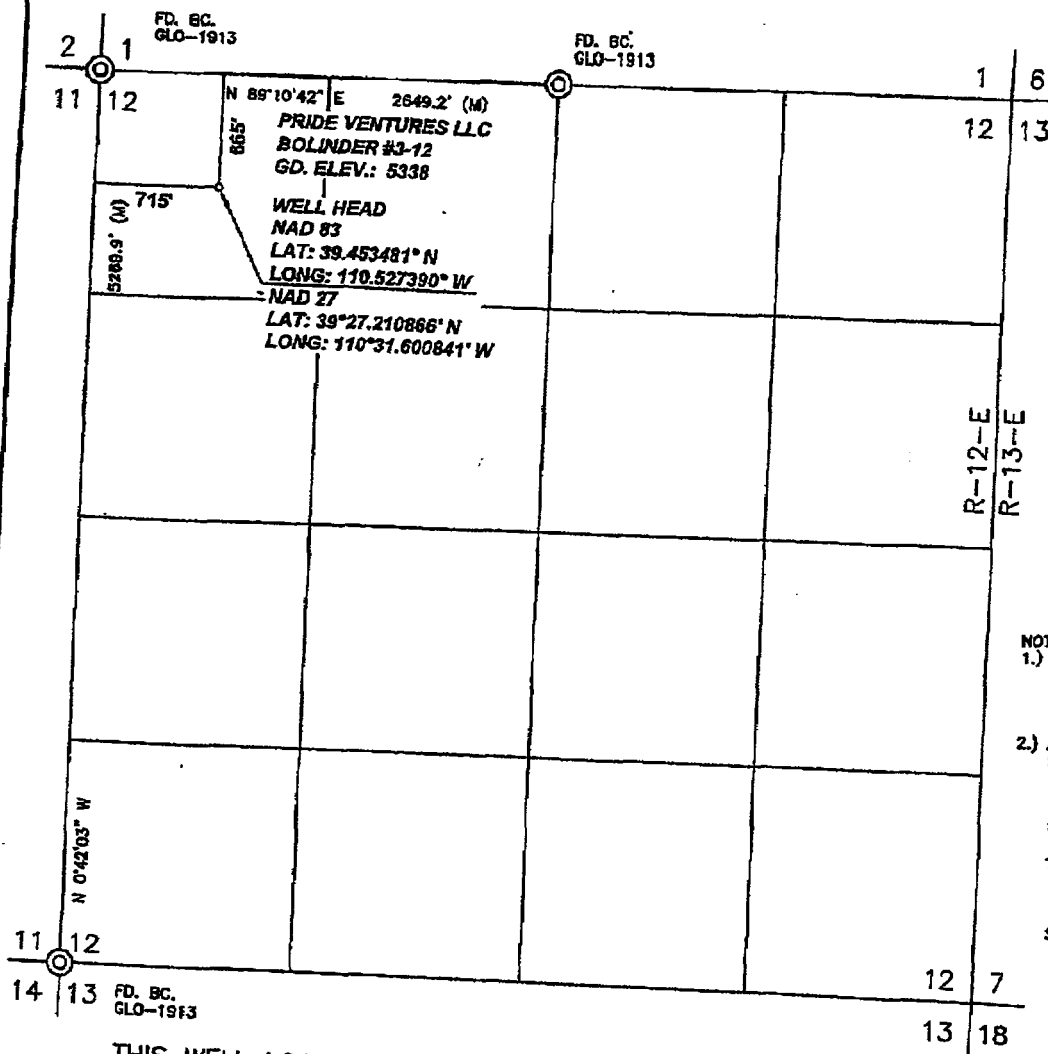
**Federal Approval of this  
Action is Necessary**

**RECEIVED****APR 27 2009**

DIV. OF OIL, GAS &amp; MINING

### Target Location Plat

SEC. 12, T. 16 S., R. 12 E. OF THE S.L.M.



NOTES:

- 1.) BASIS OF BEARING -  
SET OPUS ADJ. CONTROL POINT "BASE"  
LOCATED IN THE SE/4, SEC. 35,  
T-15-S, R-12-E, S1.M.  
GRID FACTOR: .999918822
- 2.) ALL POSS. AS SHOWN ARE UTAH  
STATE PLANE CENTRAL NAD 83.

### REFERENCE DOCUMENTS

MOUNDS, UTAH  
QUADRANGLE, USGS

SURFACE OWNER - STATE OF UTAH

THIS WELL LOCATION PLAT WAS PREPARED FOR PRIDE VENTURES LLC.  
TO LOCATE THE BOLINDER #3-12  
715' F.W.L. IN THE NW 1/4 NW 1/4, OF SECTION 12, 665' F.N.L. &  
OF THE S.L.M. EMERY COUNTY, UTAH T. 16 S. R. 12 E.

**SURVEYOR'S CERTIFICATE**

1. HENRY P. BROADHURST, JR., DULY LICENSED LAND SURVEYOR  
IN THE STATE OF UTAH, HEREBY CERTIFY THAT THIS PLAT AND THE ACTUAL  
SURVEY UPON WHICH IT BASED WERE PERFORMED BY ME OR UNDER MY  
DIRECT SUPERVISION AND THAT THIS SURVEY MEETS THE MINIMUM  
STANDARDS FOR SURVEYS IN THE STATE OF UTAH; AND THAT IT IS TRUE  
AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

HENRY P. BROADHURST JR.  
UTAH P.L.S. No. 18369

8/20/08

DATE \_\_\_\_\_

SURVEYED	8/7/08
DRAWN	8/19/08
CHECKED	8/19/08

CC

P.O. BOX 328  
BLOOMFIELD, NM, 87413  
PHONE (505) 325-7707

**CHENAULT CONSULTING INC.**

**FILED****BEFORE THE BOARD OF OIL, GAS AND MINING****DEC 17 2008****DEPARTMENT OF NATURAL RESOURCES****SECRETARY, BOARD OF  
OIL, GAS & MINING****STATE OF UTAH**

**IN THE MATTER OF THE REQUEST )  
 FOR AGENCY ACTION OF PRIDE )  
 VENTURES, LLC FOR AN ORDER )  
 ESTABLISHING 160-ACRE DRILLING )  
 AND SPACING UNITS FOR )  
 HORIZONTAL WELLS IN AND THE )  
 PRODUCTION OF OIL, GAS, AND )  
 OTHER HYDROCARBONS FROM )  
 THE MOENKOPI FORMATION IN )  
 SECTIONS 2 AND 12, TOWNSHIP 16 )  
 SOUTH, RANGE 12 EAST, S.L.M., )  
 EMERY COUNTY, UTAH )**

**FINDINGS OF FACT,  
 CONCLUSIONS OF LAW, AND  
 ORDER**

**Docket No. 2008-021****Cause No. 264-03**

This Cause came on regularly for hearing before the Utah Board of Oil, Gas, and Mining (the "Board") on Wednesday, December 3, 2008, at the hour of 10:00 a.m. in the Board Room, Suite 1050, Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah. The following Board members were present and participated at the hearing: Douglas E. Johnson, Chairman, Kent R. Peterson, Robert J. Bayer, Jean Semborski, Jake Y. Harouny, and Ruland J. Gill, Jr. Gil Hunt, Associate Director—Oil and Gas, was present for the Utah Division of Oil, Gas and Mining (the "Division"). The Board was represented by Michael S. Johnson, Assistant Attorney General.

The petitioner, Pride Ventures, LLC ("Pride"), was represented by Thomas W. Clawson of Van Cott, Bagley, Cornwall & McCarthy, and R. Gordon Chenault, Pride's Operations Manager, and Michael Pippin, Consulting Petroleum Engineer, testified on behalf of Pride.

The Division was represented by Kevin Bolander, Assistant Attorney General. The Division filed a staff memorandum on September 17, 2008, and Dustin Doucet, Petroleum

**RECEIVED****APR 27 2009****DIV. OF OIL, GAS & MINING**

Engineer, testified on behalf of the Division. The Division expressed its support for Pride's Request for Agency Action filed in this Cause (the "Request").

Michael Coulthard, Petroleum Engineer, attended the hearing on behalf of the United States Department of the Interior, Bureau of Land Management ("BLM"). The BLM also expressed its support for the Request.

VTOC Energy, Inc. ("VTOC") filed a letter dated September 8, 2008, with the Board in this Cause. In its letter, VTOC indicated that it desires to develop its ownership interests in the Grassy Trail Creek Field by drilling up to two vertical wells in the W $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 12, Township 16 South, Range 12 East, S.L.M. VTOC did not appear at nor participate in the hearing.

No other person or party filed a response to the Request and no other person or party appeared at or participated in the hearing.

Prior to the Board's December 3, 2008 hearing, on October 14, 2008, Pride filed its Motion for Partial Dismissal ("Pride's Motion") seeking to amend the Request by eliminating the NE $\frac{1}{4}$  of subject Section 12 from the Request. By that certain Order of Partial Dismissal dated December 3, 2008 (the "Dismissal Order"), the Board granted Pride's Motion, thus excluding and dismissing said quarter section from the Request.

The Board, having fully considered the testimony adduced and the exhibits received into evidence at the December 3, 2008 hearing, being fully advised, and good cause appearing, hereby makes the following findings of fact, conclusions of law, and order:

#### **FINDINGS OF FACT**

1. Notices of the time, place, and purposes of the Board's regularly scheduled December 3, 2008 hearing were mailed to all interested parties by first-class mail, postage prepaid, and were duly published in the Salt Lake Tribune, Deseret Morning News, and Sun Advocate

pursuant to the requirements of the Utah Administrative Code ("U.A.C.") Rule 641-106-100.

Copies of the Request were mailed to all interested parties pursuant to U.A.C. Rule R641-104-135.

2. Pride's Request seeks an order establishing 160-acre drilling and spacing units for horizontal wells in and the production of oil, gas, and other hydrocarbons from the Moenkopi formation underlying the following described lands in the Grassy Trail Creek Field in Emery County, Utah (the "Subject Lands"):

Township 16 South, Range 12 East, S.L.M.

Section 2: Lots 1 (39.07), 2 (39.09),  
3 (39.11), and 4 (39.13),  
S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$  [All]

Section 12: NW $\frac{1}{4}$ , S $\frac{1}{2}$

(containing 1,116.40 acres, more or less)

3. The formation to be utilized for drilling and spacing purposes is the Moenkopi formation described as follows (the "Spaced Interval"):

The Moenkopi formation as identified by the Neutron-Density log in the Bolinder #2-2 Well located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 2, Township 16 South, Range 12 East, Emery County, Utah, with the top of the spaced formation being found at a measured depth of 3,740 feet and the base of the spaced formation being found at a measured depth of 3,890 feet or to the stratigraphic equivalent thereof.

4. Pride is a New Mexico limited liability company in good standing, having its principal place of business in Farmington, New Mexico. Pride is qualified to and is doing business in Utah.

5. Pride is an owner of working interests in the Subject Lands. Genesis Petroleum US, Inc. is the other owner of working interests in the Subject Lands.

6. The minerals in the lands embraced within the Subject Lands are owned by the United States of America and the State of Utah. The oil and gas minerals in the Subject Lands in



Section 12 are subject to United States Oil and Gas Lease Nos. UTU-81697 and UTU-43778. The oil and gas minerals in subject Section 2 are subject to Utah State Mineral Lease Nos. ML-51498-OBA and ML-51328-OBA. The surface of the Subject Lands in Section 12 is owned by the United States of America. The BLM administers the federally-owned minerals and public lands. The surface of the Subject Lands in Section 2 is owned by the Utah School and Institutional Trust Lands Administration ("SITLA") and SITLA administers the state-owned minerals and lands.

7. The Spaced Interval within the Moenkopi formation beneath the Subject Lands appears to be a complex stack of thin tidal-channel sandstones or other shallow near-shore marine deposits with low permeability. Production from existing vertical wells is associated with a combination of stratigraphic traps, fractures, and minor north-south normal faults. Numerous short radius horizontal laterals drilled in the early 1980s demonstrate that fracture permeability enhances the production from the pool.

8. The Spaced Interval underlies all or substantially all of the Subject Lands and constitutes a pool—a common source of supply—for oil, gas, and other hydrocarbons.

9. The following wells have been completed in and have produced, or are producing, from the Spaced Interval within the Subject Lands (the "Existing Vertical Wells"):

- a. Bolinder #2-2 Well located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$  of subject Section 2.
- b. State #2-43X Well located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$  of subject Section 2.
- c. Bolinder #C-1 Well located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of subject Section 12.
- d. Bolinder Federal #3-12 Well located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 12.

10. An additional well, the Federal #12-13 Well, is located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$  of subject Section 12. This well is operated by Integrated Energy, LLC. The well was completed as a vertical well in January 1984, and re-completed as a horizontal well in the Moenkopi formation in 2008.

11. Based on the drilling and completion of the Federal #12-13 Well as a horizontal well, the Subject Lands in Section 12 are subject to a temporary 640-acre spacing unit for horizontal wells in the Moenkopi formation comprising all of subject Section 12 in accordance with U.A.C. Rule R649-3-2(6). The Subject Lands in Section 2 are not subject to any spacing order of the Board for the production of oil, gas, or other hydrocarbons from the Moenkopi formation.

12. Projected decline curve and economic analyses based on the best available data support the conclusion that one horizontal well will efficiently and economically drain 160 acres in pool within the Spaced Interval beneath the Subject Lands. 160 acres is not smaller than the maximum area that can be efficiently and economically drained by one horizontal well completed and producing from the Spaced Interval.

13. The testimony and evidence submitted at the hearing supports Pride's request that each drilling and spacing unit should comprise a governmental quarter section or equivalent lots and that the surface location for a horizontal well within each such drilling unit may be located anywhere within the unit. The evidence and testimony also support Pride's requested set-off limitations that the producing interval for each designated well within the Spaced Interval shall not be closer than 1,320 feet from other wells completed and producing from the Spaced Interval, with the exception of the Existing Vertical Wells, and that it not be closer than 660 feet from the outer boundary of the 160-acre drilling and spacing unit. The requested surface location for horizontal wells and set-off limitations will allow flexibility in well locations to address geologic conditions and/or topographic or other surface restrictions while still protecting the correlative rights of all affected parties.

14. The Board voted unanimously to approve the Request, as amended by the Dismissal Order.

### CONCLUSIONS OF LAW

1. Due and regular notice of the time, place, and purposes of the Board's regularly scheduled December 3, 2008 hearing was given to all interested parties in the form and manner and within the time required by law and the rules and regulations of the Board. Due and regular notice of the filing of the Request was given to all interested parties in the form and manner required by law and the rules and regulations of the Board.
2. Pursuant to Sections 40-6-5 and 40-6-6 of the Utah Code Annotated, the Board has jurisdiction over all of the interested parties and the subject matter of the Request, and has the power and authority to make and issue the order herein set forth.
3. Good cause appears to grant the Request regarding establishing 160-acre drilling and spacing units for the Spaced Interval within the Moenkopi formation beneath the Subject Lands.
4. Establishing 160-acre drilling and spacing units within the Subject Lands as provided in the Request is just and reasonable and will allow for the orderly development of the Spaced Interval within the Subject Lands, prevent waste, adequately protect the correlative rights of all affected parties, promote the public interest, and increase the ultimate recovery of hydrocarbons from the Subject Lands.
5. Declaring the Federal #12-13 Well as the authorized well for the drilling and spacing unit within the SW $\frac{1}{4}$  of subject Section 12 is just and reasonable under the circumstances.
6. The requested unrestricted surface location for horizontal wells and set-off limitations of 1,320 feet from a well completed and producing from the Spaced Interval, with the exception of the Existing Vertical Wells, and 660 feet from a drilling unit boundary are just and reasonable under the circumstances and will protect correlative rights.

7. Pride has sustained its burden of proof, demonstrated good cause, and satisfied all legal requirements for the granting of the Request.

### ORDER

Based upon the Request, the testimony and evidence submitted and entered at the hearing and the findings of fact and conclusions of law as stated above, it is therefore ordered that:

1. The Request in this Cause is granted.
2. 160-acre (or substantial equivalent) drilling and spacing units for the production of oil, gas, and other hydrocarbons from the Spaced Interval defined as follows:

The Moenkopi formation as identified by the Neutron-Density log in the Bolinder #2-2 Well located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 2, Township 16 South, Range 12 East, Emery County, Utah, with the top of the spaced formation being found at a measured depth of 3,740 feet and the base of the spaced formation being found at a measured depth of 3,890 feet or to the stratigraphic equivalent thereof

for the following described lands:

Township 16 South, Range 12 East, S.L.M.

Section 2: Lots 1 (39.07), 2 (39.09),  
3 (39.11), and 4 (39.13), S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$  [All]  
Section 12: NW $\frac{1}{4}$ , S $\frac{1}{2}$

are hereby established.

3. Each such drilling and spacing unit shall be comprised of a governmental quarter section (or equivalent thereof), and the producing interval in the Spaced Interval for an authorized well for each such unit shall be located no closer than 1,320 feet from other wells completed in and producing from the Spaced Interval, with the exception of the Existing Vertical Wells (as defined herein), and no closer than 660 feet from the outer boundary of the 160-acre drilling and spacing unit, unless otherwise permitted by administrative action approved by the Division according to U.A.C. Rule R649-3-3.

4. The surface location for a horizontal well that is the authorized well within a drilling and spacing unit established herein may be located anywhere within such unit.

5. The Federal #12-13 Well is hereby designated as the authorized well for the drilling and spacing unit encompassing the SW¼ of subject Section 12, as established herein.

6. Pursuant to U.A.C. Rule R641 and Utah Code Ann. § 63-46b-6 to -10 (1953, as amended), the Board has considered and decided this matter as a formal adjudication.

7. This Findings of Fact, Conclusions of Law, and Order ("Order") is based exclusively on evidence of record in the adjudicative proceeding or on facts officially noted, and constitutes the signed written order stating the Board's decision and the reasons for the decision, all as required by the Utah Administrative Procedures Act, Utah Code Ann. § 63G-4-208 and U.A.C. Rule R641-109.

8. Notice re Right to Seek Judicial Review by the Utah Supreme Court or to Request Board Reconsideration: As required by Utah Code Ann. §63G-4-208(e) through (g), the Board hereby notifies all parties in interest that they have the right to seek judicial review of this final Board Order in this formal adjudication by filing a timely appeal with the Utah Supreme Court within 30 days after the date that this Order is issued. Utah Code Ann. §63G-4-401(3)(a) and 403. As an alternative to seeking immediate judicial review, and not as a prerequisite to seeking judicial review, the Board also hereby notifies parties that they may elect to request that the Board reconsider this Order, which constitutes a final agency action of the Board. Utah Code Ann. § 63G-4-302, entitled, "Agency review - Reconsideration," states:

(1)(a) Within 20 days after the date that an order is issued for which review by the agency or by a superior agency under Section 63-46b-12 is unavailable, and if the order would otherwise constitute final agency action, any party may file a written request for reconsideration with the agency, stating the specific grounds upon which relief is requested.

- (b) Unless otherwise provided by statute, the filing of the request is not a prerequisite for seeking judicial review of the order.
- (2) The request for reconsideration shall be filed with the agency and one copy shall be sent by mail to each party by the person making the request.
- (3)(a) The agency head, or a person designated for that purpose, shall issue a written order granting the request or denying the request.
- (b) If the agency head or the person designated for that purpose does not issue an order within 20 days after the filing of the request, the request for reconsideration shall be considered to be denied.

Id. The Board also hereby notifies the parties that Utah Administrative Code R641-110-100, which is part of a group of Board rules entitled, "Rehearing and Modification of Existing Orders," states:

Any person affected by a final order or decision of the Board may file a petition for rehearing. Unless otherwise provided, a petition for rehearing must be filed no later than the 10<sup>th</sup> day of the month following the date of signing of the final order or decision for which the rehearing is sought. A copy of such petition will be served on each other party to the proceeding no later than the 15<sup>th</sup> day of that month.

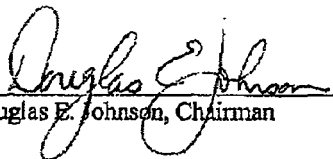
Id. See Utah Administrative Code R641-110-200 for the required contents of a petition for rehearing. If there is any conflict between the deadline set forth in the Utah Administrative Procedures Act and the deadline set forth in Utah Administrative Code R641-110-100 for moving to rehear this matter, the Board hereby rules that the later of the two deadlines shall be available to any party moving to rehear this matter. If the Board later denies a timely petition for rehearing, the party may still seek judicial review of the Order by perfecting a timely appeal with the Utah Supreme Court within 30 days thereafter.

9. The Board retains continuing jurisdiction over all the parties and over the subject matter of this Cause, except to the extent said jurisdiction may be divested by the filing of a timely appeal to seek judicial review of this Order by the Utah Supreme Court.

10. For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this 17 day of December, 2008.

STATE OF UTAH  
BOARD OF OIL, GAS AND MINING

By   
Douglas E. Johnson, Chairman

**CERTIFICATE OF SERVICE**

I hereby certify that I caused a true and correct copy of the foregoing FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER for Docket No. 2008-021, Cause No. 264-03 to be mailed, postage prepaid, on this 18<sup>th</sup> day of December, 2008, to the following:

Thomas W. Clawson, Esq.  
VAN COTT, BAGLEY, CORNWALL &  
McCARTHY  
36 South State Street, Suite 1900  
Salt Lake City, UT 84111

Michael S. Johnson  
Assistant Attorney General  
Utah Board of Oil, Gas & Mining  
1594 West North Temple, Suite 300  
Salt Lake City, UT 84116  
(Via Email)

Steven F. Alder  
Kevin L. Bolander  
Assistant Attorneys General  
Utah Division of Oil, Gas & Mining  
1594 West North Temple, Suite 300  
Salt Lake City, UT 84116  
(Via Email)

Terry R. Spencer, Esq.  
Attorney for Integrated Energy, LLC  
140 West 9000 South, Suite 9  
Sandy, UT 84070

Bureau of Land Management  
Attn: Becky J. Hammond  
Chief, Branch of Fluid Minerals  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

Trust Lands Administration  
Attn: LaVonne Garrison  
675 East 500 South, Suite 500  
Salt Lake City, UT 84102

Integrated Energy, LLC  
Attn: Tariq Ahmad  
P O Box 18148  
Reno, NV 89511

Genesis Petroleum US, Inc.  
140 West 9000 South, Suite 9  
Sandy, UT 84070

Bill Barrett Corporation  
1099 18<sup>th</sup> Street, Suite 2300  
Denver, CO 80202

VTOC Energy, Inc.  
25 Brindisi  
Mission Viejo, CA 92692

Conoco Phillips Company  
600 North Dairy Ashford  
Houston, TX 77079

David V. Bolinder (*Undeliverable*)  
55 East 8<sup>th</sup> Avenue  
Midvale, UT 84047

Charles C. Swenson  
1820 Lazy Creek Lane  
Pearland, TX 77581-5646

de Benneville K. Seeley Jr. (*Undeliverable*)  
Seeley Oil Company  
3865 South Wasatch Blvd., #105  
Salt Lake City, UT 84109

Paul T. Walton Revocable Trust  
Helen Baer Walton, Trustee  
495 East 4500 South, #102  
Salt Lake City, UT 84107  
(*Undeliverable*)



Robert T. Harris  
2760 South Golden Way  
Denver, CO 80227

Hartman Axley (*Undeliverable*)  
Marguerite Axley  
2717 South Fenton  
Denver, CO 80227

James Thompson  
Ilene Thompson  
180 Ivanhoe  
Denver, CO 80220

Robert D. Price  
3789 Monteciro Street  
Salt Lake City, UT 84106

Jonathan P. Lear  
Attorney for Kanai Partners, LLC  
808 East South Temple Street  
Salt Lake City, UT 84102

Trisha M. Stout  
1137 19 Road  
Fruita, CO 81521

Donald W. Davidson  
Address Unknown

Bryan Bell  
Address Unknown

Pease Oil Partnership  
PO Box 60132  
Grand Junction, CO 81506

Benson Montin-Greer Drilling Corp.  
Attn: Mike Dimond  
4900 College Blvd.  
Farmington, NM 87401

Rhonda Ahmad  
13495 South Hills Drive  
Reno, NV 89511

*Marianne Bumbidge*

ent by mail  
3/19/09

PV

Pride Ventures, LLC.  
P.O. Box 328  
Bloomfield, NM 87413  
(505) 325-7707

March 19, 2008

State of Utah  
Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Re: Horizontal Drilling  
Bolinder Federal #3-12 Well  
API # 4301530178  
665' FNL 715' FWL (surface)  
970' FNL 1980' FWL (bottom hole)  
Emery County, Utah

To Whom It May Concern:

Attached is Pride Ventures Sundry Notice regarding the above reference well, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-3 pertaining to the Exception to Location and Siting of Wells.

- The Bolinder Federal #3-12 Well is located within the Unit Area and is an existing well.
- Pride Ventures is permitting this well as a horizontal well in order to minimize surface disturbance. By using the current well location and horizontally drilling from this location, we will be able to utilize the existing road and pipelines in the area.
- Pride Ventures hereby certifies that it has notified all working interest owners in the Bolinder Federal #3-12 Well located on Federal Lease U-015639-A. By certified mail.
- Please find copy of authorization to drill horizontally on 160 acre approved by Department of Oil, Gas and Mining on December 17, 2008.

Therefore, based on the above stated information, Pride Ventures requests the permit be granted pursuant to R649-3-3.

Respectfully Submitted,



Robert G. Chenault  
Registered Agent  
[Gordon@ccinm.com](mailto:Gordon@ccinm.com)  
(505) 860-4898  
Attachments

RECEIVED

APR 27 2009

DIV. OF OIL, GAS & MINING

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/27/2009

API NO. ASSIGNED: 43-015-30178

WELL NAME: BOLINDER FED 3-12

OPERATOR: PRIDE VENTURES LLC ( N2845 )

PHONE NUMBER: 505-325-7707

CONTACT: ROBERT CHENAULT

PROPOSED LOCATION:

NWNW 12 160S 120E

SURFACE: 0665 FNL 0715 FWL

BOTTOM: 0970 FNL 1980 FWL

COUNTY: EMERY

LATITUDE: 39.45344 LONGITUDE: -110.52669

UTM SURF EASTINGS: 540723 NORTHINGS: 4366995

FIELD NAME: GRASSY TRAIL ( 25 )

INSPECT LOCATN BY: / /

Tech Review

Initials

Date

Engineering

Geology

Surface

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-015639A

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MNKP

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat  
☒ Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. UT1147 )  
☒ Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
Water Permit  
(No. )  
☒ RDCC Review (Y/N)  
(Date: )  
☒ Fee Surf Agreement (Y/N)  
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

☐ R649-2-3. \* Horizontal  
Unit: \_\_\_\_\_  
☐ R649-3-2. General  
Siting: 460' From Qtr/Qtr & 920' Between Wells  
☐ R649-3-3. Exception  
☒ Drilling Unit  
Board Cause No: 264-03  
Eff Date: 12-17-2008  
Siting: 640' fr outer bdr unit & 1320' fr other wells.  
☐ R649-3-11. Directional Drill

COMMENTS: \_\_\_\_\_

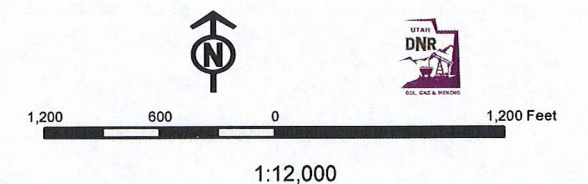
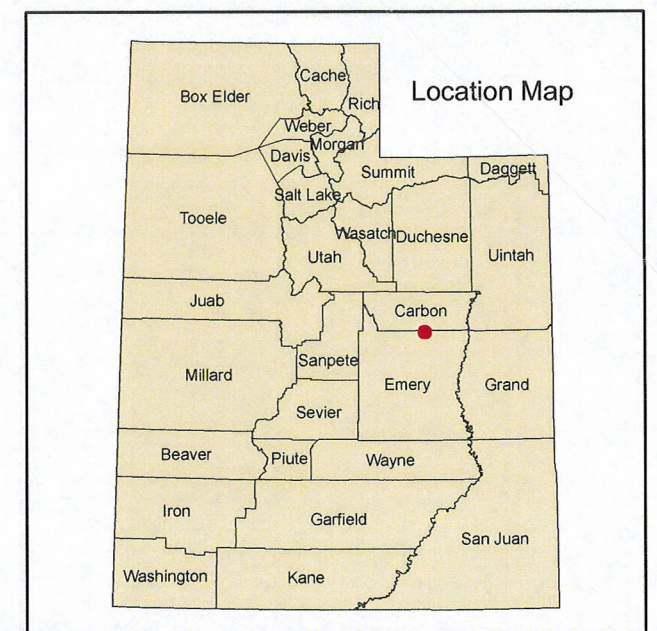
STIPULATIONS: 1- Federal Approval



**API Number: 4301530178**  
**Well Name: BOLINDER FED 3-12**  
**Township 16.0 S Range 12.0 E Section 12**  
**Meridian: SLBM**  
Operator: PRIDE VENTURES LLC

Map Prepared:  
Map Produced by Diana Mason

Units	Wells Query Events
<b>STATUS</b>	<all other values>
ACTIVE	<b>GIS_STAT_TYPE</b>
EXPLORATORY	<Null>
GAS STORAGE	APD
NF PP OIL	DRL
NF SECONDARY	GI
PI OIL	GS
PP GAS	LA
PP GEOTHERML	NEW
PP OIL	OPS
SECONDARY	PA
TERMINATED	PGW
<b>Fields</b>	POW
<b>STATUS</b>	RET
ACTIVE	SGW
COMBINED	SOW
Sections	TA
	TW
	WD
	WI
	WS







JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

April 29, 2009

Pride Venture, LLC  
P O Box 328  
Bloomfield, NM 87413

Re: Bolinder Federal 3-12 Well, Surface Location 665' FNL, 715' FWL, NW NW, Sec. 12,  
T. 16 South, R. 12 East, Bottom Location 970' FNL, 1980' FWL, NW NW, Sec. 12,  
T. 16 South, R. 12 East, Emery County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30178.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Emery County Assessor  
Bureau of Land Management, Price Field Office



Operator: Pride Venture, LLC  
Well Name & Number Bolinder Federal 3-12  
API Number: 43-015-30178  
Lease: U-015639-A

Surface Location: NW NW Sec. 12 T. 16 South R. 12 East  
Bottom Location: NW NW Sec. 12 T. 16 South R. 12 East

### Conditions of Approval

#### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### 2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

#### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

COPY

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.  
U-015639-A

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
Pride Ventures, LLC

3a. Address  
P.O. Box 328  
Bloomfield, New Mexico 87413

3b. Phone No. (include area code)  
(505) 325-7707

7. If Unit of CA/Agreement, Name and/or No.  
N/A

8. Well Name and No.  
Bolinder Federal 3-12

9. API Well No.  
4301530178

10. Field and Pool or Exploratory Area  
Grassy Trail

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
66S° FNL 71S° FWL Sec 12: T16S, R12E SLM

11. Country or Parish, State  
Emery, Utah

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Request to waive H2S monitoring regulations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	*See Below
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

This is a producing oil well and we intend to increase the production by horizontal drilling. As per our approved Sundry dated 4/24/2009 to do a horizontal on this well, we are requesting a waiver on all H2S monitoring regulations on this well. There is no known H2S in the Moenkopi formation in the Grassy Trails area.

COPY SENT TO OPERATOR

Date: 6.4.2009

Initials: KS

RECEIVED

JUN 01 2009

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
Robert G. Chenault

Title Registered Agent

Signature

Date 05/27/2009

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title Pet. Eng.

Date 6/2/09

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office DOG m

Federal Approval Of This  
Action Is Necessary

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

## DIVISION OF OIL, GAS AND MINING

### SPUDDING INFORMATION

Name of Company: PRIDE VENTURES LLC

Well Name: BOLINDER FED 3-12

Api No: 43-015-30178 Lease Type: FEDERAL

Section 12 Township 16S Range 12E County EMERY

Drilling Contractor FOUR CORNERS WELL SERV RIG # BUCKET

### SPUDDED:

Date 06/02/09

Time

How DRY

**Drilling will Commence:**

Reported by GORDON

Telephone # (505) 325-7707

Date 06/02/09 Signed CHD



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: U-015639-A
2. NAME OF OPERATOR: Pride Ventures, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. Box 328 CITY Bloomfield STATE NM ZIP 87413		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 665' FNL 715' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 16S 12E		8. WELL NAME and NUMBER: Bolinder Federal 3-12
PHONE NUMBER: (505) 325-7707		9. API NUMBER: 4301530178
COUNTY: Emery		10. FIELD AND POOL, OR WILDCAT: Grassy Trail
STATE: UTAH		

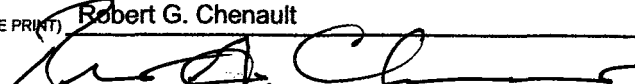
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Weekly Drilling Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Weekly Drilling Report for the Bolinder Federal 3-12 Horizontal:

June 2 - Rig up on well.  
June 3 - Ran scraper and mill.  
June 4 - Ran long and set cast iron bridge plug.  
June 5 - Set whipstock.  
June 6 - Milled window at 3474'.  
June 7 - Setting direction with gyro and began drilling with foam.  
June 8 - Drilling out of window.  
June 9 - Drilled 120' out of window.  
June 10- Tripped out of hole with drill collar damage.

NAME (PLEASE PRINT) Robert G. Chenault TITLE Registered Agent  
SIGNATURE  DATE 6/11/2009

(This space for State use only)

RECEIVED

JUN 15 2009

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: U-015639-A
2. NAME OF OPERATOR: Pride Ventures, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. Box 328 CITY Bloomfield STATE NM ZIP 87413		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 665' FNL 715' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 16S 12E		8. WELL NAME and NUMBER: Bolinder Federal 3-12
PHONE NUMBER: (505) 325-7707		9. API NUMBER: 4301530178
COUNTY: Emery		10. FIELD AND POOL, OR WILDCAT: Grassy Trail
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Weekly Drilling Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

**Weekly Drilling Report for the Bolinder Federal 3-12 Horizontal:**

June 11-drilling going very slow, continue to drill.  
June 12-trip out of hole, change motor bend to 1.5, trip back in hole and continue to drill.  
June 13-drilling ahead, drilling faster, trip out of hole and change MRI tool out for new, ran back in hole, continue drilling.  
June 14-continue to drill hitting more fractures.  
June 15-having trouble unloading hole, continue to drill.  
June 16-done drilling, clean hole, lay down drill pipe.  
June 17-run in hole with 2 7/8" tubing getting ready to swab, swab 20 bbl's, fluid level between 400' and 500'.  
June 18-ran rods and set pumping unit.  
June 19-24 hour test, 135 bbl's of oil with no water.

NAME (PLEASE PRINT) Robert G. Chenault	TITLE Registered Agent
SIGNATURE 	DATE 6/24/2009

(This space for State use only)

RECEIVED  
JUN 29 2009  
DIV. OF OIL, GAS & MINING

RECEIVED  
AUG 03 2009  
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010SUNDRY NOTICES AND REPORTS ON WELLS  
DIV OF OIL, GAS & MINING**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**5. Lease Serial No.  
U-015639-A

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

## 1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator  
Pride Ventures, LLC3a. Address  
P.O. Box 328  
Bloomfield, New Mexico 874133b. Phone No. (include area code)  
(505) 325-77074. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
66S° FNL 71S° FWL Sec 12: T16S, R12E SLM7. If Unit of CA/Agreement, Name and/or No.  
N/A8. Well Name and No.  
Bolinder Federal 3-129. API Well No.  
430153017810. Field and Pool or Exploratory Area  
Grassy Trail11. Country or Parish, State  
Emery, Utah

## 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Produced Water
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Propose to utilize the existing drilling pit on location for the produced water from the above designated well for the allowable time of 90 days.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
Robert G. Chenault

Title Registered Agent

Signature

Date

7/31/09

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

COPY

FORM APPROVED  
OMB NO. 1004-0137  
Expires: July 31, 2010

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other  
b. Type of Completion: ☐ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,  
Other: Horizontal

2. Name of Operator  
**Pride Ventures, LLC.**

3. Address **P.O. Box 328  
Bloomfield, NM 87413**

3a. Phone No. (include area code)  
**(505) 325-7707**

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
**665' FNL 715' FWL**  
**At surface**

**3651'**

**At top prod. interval reported below**

**At total depth** **1460' FNL 1702'**  
**1459-93' FNL 1701.83' FWL**

*per HSM review*

14. Date Spudded  
**06/08/2009**

15. Date T.D. Reached  
**06/16/2009**

16. Date Completed **06/19/2009**  
☐ D & A ☒ Ready to Prod.

17. Elevations (DF, RKB, RT, GL)\*  
**GRD 5352'**

18. Total Depth: MD **4807'**  
TVD **3651'**

19. Plug Back T.D.: MD **N/A**  
TVD

20. Depth Bridge Plug Set: MD **3485.50'**  
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

**Bond Log/Corelated Gamma-CCL**

22. Was well cored? ☒ No ☐ Yes (Submit analysis)  
Was DST run? ☒ No ☐ Yes (Submit report)  
Directional Survey? ☐ No ☒ Yes (Submit copy)

## 23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17.5"	13 3/8"	54.40	0	40		20		Surface	0
11"	8 5/8"	24	0	3535		700		Surface	0

## 24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8"	3578'	CIBP 3485.50'						

## 25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Moenkopi (horizontal)	3651'	4807'	N/A - Open Hole			
B)						
C)						
D)						

## 27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
N/A	N/A

## 28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
6/20/09	6/19/09	24	→	135	0	0	41 degrees		Pumping
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
Open	0	15psi	→	135	0	0	1:9	Producing	

## 28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

\*(See instructions and spaces for additional data on page 2)

DIV. OF OIL, GAS &amp; MINING

JUL 13 2009

RECEIVED

## 28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

## 28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

## 29. Disposition of Gas (Solid, used for fuel, vented, etc.)

N/A

## 30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

## 31. Formation (Log) Markers

None

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Moenkopi (horizontal)	3651'	4807'	Red Shale, SLTST, some lime and dolomitic SS.  Observed Fractures: 3670', 4208', 4210', 4211', 4243', 4253', 4278, 4283, 4292', 4301', and 4307'.		

## 32. Additional remarks (include plugging procedure):

## 33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ Electrical/Mechanical Logs (1 full set req'd.)     
 ☐ Geologic Report     
 ☐ DST Report     
 ☐ Directional Survey  
☐ Sundry Notice for plugging and cement verification     
 ☐ Core Analysis     
☒ Other: Completion Survey and Logs

## 34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) Robert G. Chenault

Title Registered Agent

Signature

Date 06/26/2009

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 3)

(Form 3160-4, page 2)



**Weatherford<sup>®</sup>**

**Drilling Services**

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## **Completion**

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**PRIDE VENTURES LLC.**

**BOLINDER #3-12  
EMERY COUNTY, UT**

**JUNE 17, 2009**

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**Weatherford International Ltd.**  
2000 Oil Drive  
Casper, Wyoming 82604  
+1.307.265.1413 Main  
+1.307.235.3958 Fax  
[www.weatherford.com](http://www.weatherford.com)

# PRIDE VENTURES LLC.

Project: EMERY COUNTY, UTAH  
 Site: BOLINDER #3-12  
 Well: BOLINDER #3-12  
 Wellbore: BOLINDER #3-12  
 Design: BOLINDER #3-12  
 Lat: 39° 27' 12.532 N  
 Long: 110° 31' 38.604 W  
 Ground: 5338.00  
 KB: kb @ 5348.00ft  
 Rig: Four Corners #4



**Weatherford**

## SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	2462.00	0.00	0.00	3462.00	0.00	0.00	0.00	0.00	0.00	
	3773.02	90.00	103.42	3660.00	-45.96	192.59	28.94	103.42	198.00	PBHL_BOLINDER #3-12
	4877.31	90.00	103.42	3660.00	-302.27	1266.72	0.00	0.00	1302.29	PBHL_BOLINDER #3-12

## WELLBORE TARGET DETAILS (LAT/LONG)

Name	TVD	+N/-S	+E/-W	Latitude	Longitude	Shape
PBHL_BOLINDER #3-12	3660.00	-302.27	1266.72	39° 27' 9.544 N	110° 31' 22.454 W	Point

## CASING DETAILS

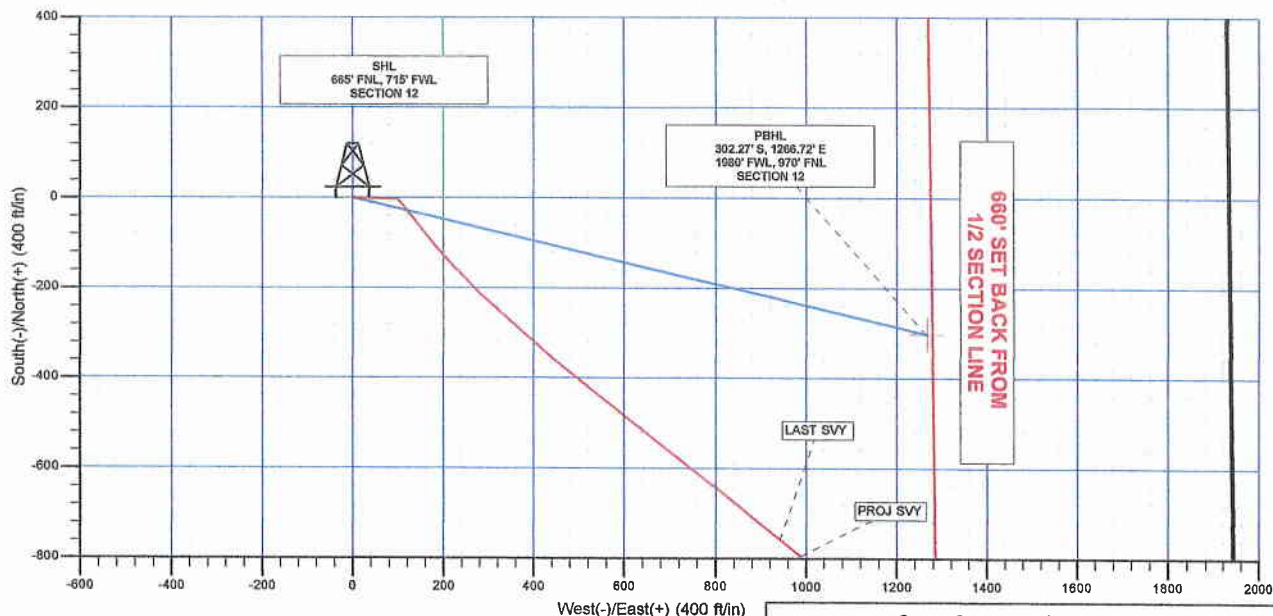
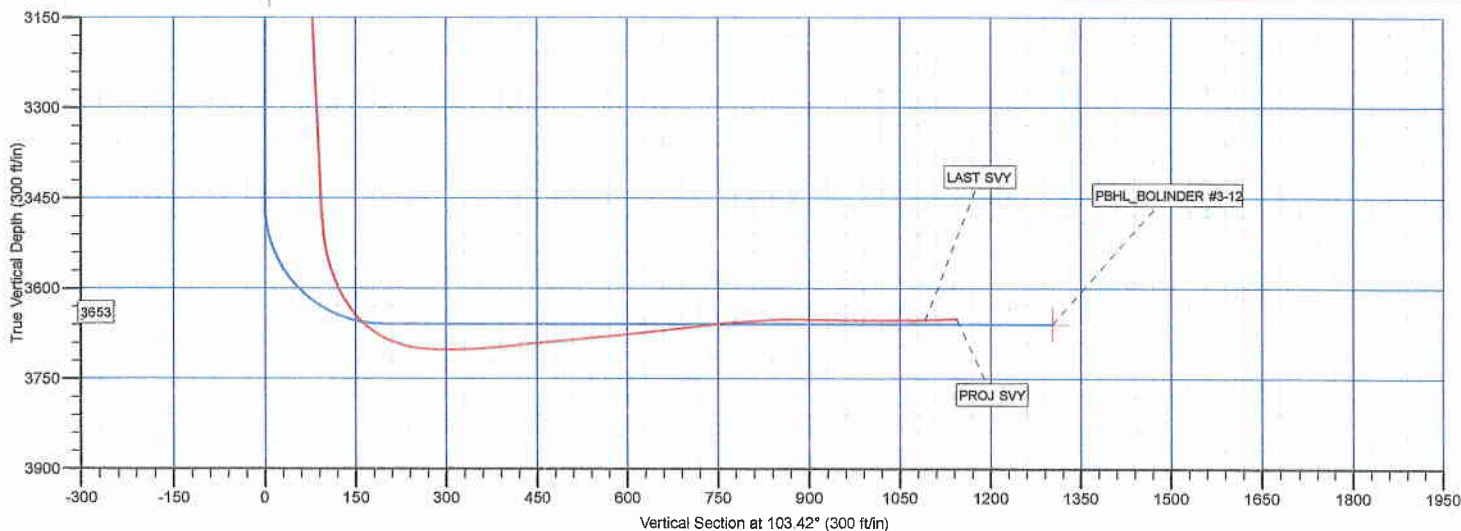
TVD	MD	Name	Size
3660.00	3773.02	7"	7"

## FORMATION TOP DETAILS

TVDPath	MDPath	Formation
228.00	228.00	PRODUCTION ZONE
460.00	460.00	DAKOTA
1100.00	1100.00	MORRISON
1280.00	1280.00	SUMMERVILLE
1780.00	1780.00	CURTIS
2030.00	2030.00	ENTRADA
2410.00	2410.00	CARMEL
2580.00	2580.00	NAVAJO
2940.00	2940.00	KAYENTA
3180.00	3180.00	WINGATE
		CHINLE (top of moenkopi)



Azimuths to True North  
 Magnetic North: 11.70°  
 Magnetic Field  
 Strength: 52009.1snT  
 Dip Angle: 65.30°  
 Date: 6/8/2009  
 Model: BGGM2008



Survey: Survey #1 (BOLINDER #3-12/BOLINDER #3-12)

Created By: TRACY WILLIAMS Date: 9:03, June 17 2009

# **PRIDE VENTURES**

**EMERY COUNTY, UTAH**

**BOLINDER #3-12**

**BOLINDER #3-12**

**BOLINDER #3-12**

**Survey: Survey #1**

## **Standard Survey Report**

**17 June, 2009**



**Weatherford®**



# Weatherford International Ltd.

## Survey Report



**Company:** PRIDE VENTURES  
**Project:** EMERY COUNTY, UTAH  
**Site:** BOLINDER #3-12  
**Well:** BOLINDER #3-12  
**Wellbore:** BOLINDER #3-12  
**Design:** BOLINDER #3-12

**Local Co-ordinate Reference:** Well BOLINDER #3-12  
**TVD Reference:** kb @ 5348.00ft (Four Corners #4)  
**MD Reference:** kb @ 5348.00ft (Four Corners #4)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature  
**Database:** EDM 2003.21 Single User Db

<b>Project</b>	EMERY COUNTY, UTAH		
<b>Map System:</b>	US State Plane 1983	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	North American Datum 1983		
<b>Map Zone:</b>	Utah Central Zone		

### Site BOLINDER #3-12, SECTION 12-16S-12E

**Site Position:**  
 From: Lat/Long **Northing:** 6,971,155.99 ft **Latitude:** 39° 27' 12.532 N  
**Position Uncertainty:** 0.00 ft **Easting:** 1,915,038.74 ft **Longitude:** 110° 31' 38.604 W  
**Slot Radius:** " **Grid Convergence:** 0.62 °

### Well BOLINDER #3-12

**Well Position** +N-S 0.00 ft **Northing:** 6,971,155.99 ft **Latitude:** 39° 27' 12.532 N  
 +E-W 0.00 ft **Easting:** 1,915,038.74 ft **Longitude:** 110° 31' 38.604 W  
**Position Uncertainty** 0.00 ft **Wellhead Elevation:** ft **Ground Level:** 5,338.00 ft

### Wellbore BOLINDER #3-12

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	BGGM2008	6/6/2009	11.70	65.30	52,086

### Design BOLINDER #3-12

**Audit Notes:**  
**Version:** 1.0 **Phase:** ACTUAL **Tie On Depth:** 0.00  
**Vertical Section:** **Depth From (TVD) (ft)** **+N-S (ft)** **+E-W (ft)** **Direction (°)**  
 0.00 0.00 0.00 103.42

### Survey Program Date 5/17/2009

From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
3,484.00	4,807.00	Survey #1 (BOLINDER #3-12)	MWD	MWD - Standard

### Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,484.00	3.18	92.05	3,482.21	-3.46	96.60	94.76	0.09	0.09	0.00
3,499.00	5.56	101.96	3,497.17	-3.62	97.72	95.90	16.59	15.87	66.07
3,509.00	6.89	108.76	3,507.11	-3.92	98.77	96.98	15.18	13.30	68.00
3,519.00	8.71	123.07	3,517.02	-4.52	99.97	98.29	26.48	18.20	143.10
3,529.00	10.94	134.84	3,526.87	-5.61	101.28	99.81	29.90	22.30	117.70
3,539.00	13.31	137.21	3,536.65	-7.12	102.73	101.58	24.21	23.70	23.70
3,550.00	15.75	138.84	3,547.29	-9.17	104.57	103.85	22.49	22.18	14.82
3,561.00	19.13	139.83	3,557.79	-11.67	106.72	106.52	30.84	30.73	9.00
3,571.00	21.80	139.59	3,567.15	-14.34	108.98	109.33	26.71	26.70	-2.40
3,582.00	24.33	141.47	3,577.27	-17.67	111.72	112.77	23.95	23.00	17.09
3,592.00	27.13	142.38	3,586.28	-21.09	114.39	116.16	28.28	28.00	9.10
3,602.00	29.73	142.61	3,595.08	-24.86	117.29	119.86	26.02	26.00	2.30

# Weatherford International Ltd.

## Survey Report



**Company:** PRIDE VENTURES  
**Project:** EMERY COUNTY, UTAH  
**Site:** BOLINDER #3-12  
**Well:** BOLINDER #3-12  
**Wellbore:** BOLINDER #3-12  
**Design:** BOLINDER #3-12

**Local Co-ordinate Reference:** Well BOLINDER #3-12  
**TVD Reference:** kb @ 5348.00ft (Four Corners #4)  
**MD Reference:** kb @ 5348.00ft (Four Corners #4)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature  
**Database:** EDM 2003.21 Single User Db

### Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dipleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
3,613.00	32.25	142.61	3,604.50	-29.36	120.73	124.25	22.91	22.91	0.00
3,623.00	35.39	142.00	3,612.81	-33.77	124.13	128.58	31.58	31.40	-6.10
3,633.00	38.10	142.46	3,620.82	-38.50	127.80	133.24	27.24	27.10	4.60
3,645.00	40.84	141.94	3,630.09	-44.52	132.47	139.19	23.00	22.83	-4.33
3,676.00	50.00	141.92	3,651.82	-61.89	146.07	156.45	29.55	29.55	-0.06
3,708.00	60.40	141.51	3,670.06	-82.48	162.34	177.05	32.52	32.50	-1.28
3,739.00	68.92	140.38	3,683.32	-104.21	179.98	199.25	27.68	27.48	-3.65
3,771.00	75.21	138.89	3,693.17	-127.39	199.69	223.81	20.15	19.66	-4.66
3,786.00	79.15	137.21	3,696.49	-138.26	209.47	235.84	28.45	26.27	-11.20
3,803.00	82.91	136.42	3,699.14	-150.51	220.96	249.86	22.59	22.12	-4.65
3,834.00	87.26	136.05	3,701.80	-172.80	242.32	275.81	14.08	14.03	-1.19
3,866.00	90.03	135.07	3,702.56	-195.64	264.71	302.90	9.18	8.66	-3.06
3,897.00	92.15	133.56	3,701.97	-217.29	286.89	329.49	8.40	6.84	-4.87
3,929.00	93.62	132.40	3,700.35	-239.08	310.27	357.29	5.85	4.59	-3.63
3,960.00	94.38	131.82	3,698.19	-259.82	333.21	384.42	3.08	2.45	-1.87
3,992.00	95.32	132.08	3,695.49	-281.13	356.92	412.43	3.05	2.94	0.81
4,023.00	95.63	132.13	3,692.53	-301.82	379.82	439.50	1.01	1.00	0.16
4,055.00	94.96	131.65	3,689.58	-323.10	403.54	467.51	2.57	-2.09	-1.50
4,086.00	94.81	130.81	3,686.94	-343.46	426.77	494.83	2.74	-0.48	-2.71
4,149.00	94.81	129.34	3,681.65	-383.87	474.80	550.94	2.33	0.00	-2.33
4,213.00	95.63	128.46	3,675.83	-423.89	524.40	608.47	1.88	1.28	-1.38
4,276.00	96.22	128.41	3,669.33	-462.85	573.49	665.26	0.94	0.94	-0.08
4,339.00	95.63	128.84	3,662.82	-501.96	622.44	721.96	1.16	-0.94	0.68
4,403.00	94.56	128.34	3,657.14	-541.72	672.27	779.65	1.84	-1.67	-0.78
4,465.00	92.88	128.71	3,653.12	-580.26	720.67	835.67	2.77	-2.71	0.60
4,528.00	88.94	128.71	3,652.12	-619.64	769.82	892.62	6.25	-6.25	0.00
4,591.00	89.63	128.84	3,652.90	-659.09	818.93	949.54	1.11	1.10	0.21
4,654.00	89.38	129.34	3,653.45	-698.82	867.82	1,006.32	0.89	-0.40	0.79
<b>PBHL_BOLINDER #3-12</b>									
4,714.80	90.44	128.63	3,653.54	-737.07	915.08	1,061.17	2.11	1.75	-1.17
4,718.00	90.50	128.59	3,653.51	-739.06	917.58	1,064.07	2.11	1.75	-1.17
<b>LAST SVY</b>									
4,749.00	91.69	128.96	3,652.92	-758.47	941.75	1,092.08	4.02	3.84	1.19
<b>PROJ SVY</b>									
4,807.00	91.69	128.96	3,651.21	-794.93	986.83	1,144.39	0.00	0.00	0.00

### Wellbore Targets

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
- 4718.00 target									
- Shape									
PBHL_BOLINDER #3	0.00	0.00	3,660.00	-302.27	1,266.72	6,970,867.51	1,916,308.67	39° 27' 9.544 N	110° 31' 22.454 W
- survey misses target center by 559.22ft at 4718.00ft MD (3653.51 TVD, -739.06 N, 917.58 E)									
- Point									

### Survey Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	+E/-W (ft)	Comment
4,749.00	3,652.92	-758.47	941.75	LAST SVY
4,807.00	3,651.21	-794.93	986.83	PROJ SVY

# Weatherford International Ltd.

## Survey Report



**Company:** PRIDE VENTURES  
**Project:** EMERY COUNTY, UTAH  
**Site:** BOLINDER #3-12  
**Well:** BOLINDER #3-12  
**Wellbore:** BOLINDER #3-12  
**Design:** BOLINDER #3-12

**Local Co-ordinate Reference:** Well BOLINDER #3-12  
**TVD Reference:** kb @ 5348.00ft (Four Corners #4)  
**MD Reference:** kb @ 5348.00ft (Four Corners #4)  
**North Reference:** True  
**Survey Calculation Method:** Minimum Curvature  
**Database:** EDM 2003.21 Single User Db

Checked By: _____	Approved By: _____	Date: _____
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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.  
U-015639-A

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
Pride Ventures, LLC

3a. Address  
P.O. Box 328  
Bloomfield, New Mexico 87413

3b. Phone No. (include area code)  
(505) 325-7707

7. If Unit of CA/Agreement, Name and/or No.  
N/A

8. Well Name and No.  
Bolinder Federal 3-12

9. API Well No.  
4301530178

10. Field and Pool or Exploratory Area  
Grassy Trail

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
66S° FNL 71S° FWL Sec 12: T16S, R12E SLM

11. Country or Parish, State  
Emery, Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Produced Water</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Request extension of 120 days to utilize existing drilling pit for produced water storage of the above designated well, while pending application for evaporation pit is reviewed on Federal and State levels.

**Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY**

**APPROVED**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
Robert G. Chenault

Title Registered Agent

Signature

Date 04/13/2010

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

NRS

Date

4-22-10

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

**PRICE FIELD OFFICE**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

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**APR 28 2010**

**DIV. OF OIL, GAS & MINING**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.  
11-015639-A

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
PRIDE VENTURES, LLC

3a. Address  
P.O. BOX 328  
BLOOMFIELD, NM 87413

3b. Phone No. (include area code)  
(505) 325-7707

7. If Unit of CA/Agreement, Name and/or No.  
N/A

8. Well Name and No.  
BOLINDER FEDERAL 3-12

9. API Well No.  
4301530178

10. Field and Pool or Exploratory Area  
GRASSY TRAIL

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
655' FNL 715' FWL SEC. 12: T16S, R12E SLM

11. Country or Parish, State  
EMERY, UTAH

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Produced Water
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Request an extension of 120 days to utilize existing drilling pit for produced water storage for the above designated well. Still waiting on information of possible injection well for production water disposal.

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NOV 22 2010

BLM - Price, UT

APPROVED

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
Robert G. Chenault

Title Authorized Agent

Signature

Date 11-17-10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Manny Hernandez

Petroleum Engineer

Date

DEC 16 2010

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

PRICE FIELD OFFICE

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(Instructions on page 2)

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## CONDITIONS OF APPROVAL

Project Name: Sundry Notice - request for extension of 120 days to utilize existing drilling pit for produced water storage

Operator: Pride Ventures, LLC

Location: Bolinder Federal 3-12

- Pride Venture's request to utilize the existing reserve pit to store produced water from the Bolinder Federal 3-12 well is granted through April 16, 2011. However, this is the last time an extension request will be granted by the Price Field Office, and Pride Ventures must find an alternative method of water disposal. Pride Ventures shall submit a reclamation plan for the drilling pit that compliments the objectives outlined in the Green River District Reclamation Guidelines to the Price BLM office prior to April 1, 2011. Pride Ventures will work with Kyle Beagley at the Price BLM office on a seed mixture to submit with the reclamation plan. Please contact Kyle Beagley at (435) 636-3668 regarding any questions or concerns.

Attachments:

Green River Reclamation Guidelines

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**DIV. OF OIL, GAS & MINING**

## *Green River District Reclamation Guidelines*

The Green River District Office Guidelines applies to all surface disturbing activities upon BLM administered surface lands. These activities include all actions authorized, conducted, or funded by the BLM, and that disturb the soil resources on the public lands. This policy is intended to be compatible with other BLM program objectives.

A reclamation plan shall be developed for all surface disturbing activities. The level of detail for the reclamation plan shall reflect: the complexity of the project, the environmental concerns generated during project review, and the reclamation potential for the site. These plans shall also incorporate any program or regulatory specific requirements for reclamation. The reclamation plan will address short term stabilization to facilitate long term reclamation. The reclamation plan is considered complete when all the reclamation requirements described below have been addressed, the techniques needed to meet the reclamation standards are described in detail, and the BLM concurs with the reclamation plan.

Compliance with the requirements of this document will be a Surface Use Condition of Approval (COA) and approved mitigation actions for all future BLM authorizations within the jurisdiction of the Green River District Office.

### A. RECLAMATION GOAL

1. The long term goal for reclamation is to facilitate eventual ecosystem reconstruction by returning the land to a safe, stable, and proper functioning condition.
2. The short-term reclamation goal is to immediately stabilize disturbed areas and to provide the necessary conditions to achieve the long term goal.

### B. RECLAMATION OBJECTIVES

1. Establish a desired self-perpetuating diverse plant community. The objective is to attain **75% basal cover** based on similar undisturbed adjacent native vegetative community, and comprised of desired species and/or seeded species within 5 years of initial reclamation action. However if after three (3) growing seasons there is less than **30%** of the basal cover based on similar undisturbed native vegetative community, then the Authorized Officer may require additional seeding efforts.
2. Establish slope stability and desired topographic diversity.
3. Reconstruct and stabilize altered water courses and drainage features.
4. Ensure the biological, chemical, and physical integrity of the topsoil resource during all phases of construction, operation, and reclamation. BMP's designed to minimize and prevent erosion, compaction, and contamination of the topsoil resource should be used to maintain the topsoil resource.

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5. Re-establish the visual composition and characteristics to blend with the natural surroundings.
6. Control the occurrences of noxious weeds and undesirable invasive species by utilizing principles of integrated weed management including prevention, mechanical, chemical, and biological control methods.
7. Manage all waste materials.
8. Conduct monitoring that is able to assess the attainment or failure of reclamation actions.

C. RECLAMATION ACTIONS

*The following Reclamation Actions are intended to facilitate the achievement of the Reclamation Objectives. These actions shall be adhered to during reclamation activities. Changes/alterations to the Reclamation Actions should be detailed in the submitted reclamation plan as to why the changes/alterations are necessary and approved by the Authorized Officer.*

**Objective 1. Establish a desired self-perpetuating plant community.**

Action 1a. Use of non native plant species is allowed, however, selected non native species should be selected that will not displace or offer long-term competition to the native plants.

Action 1b. Drill Seeding is the preferred method of seed application unless site conditions preclude the use of drill seeding equipment. Drill seeds at the rate of 45 Pure Live Seeds (PLS) per linear foot. Seeds should be drilled to a depth of .25 to .50 inches. Some plant seeds should not be drilled and if incorporated the application method should fit the seed type requirements.

Action 1c. Areas in excess of 40% slope or are excessively rocky will be broadcast seeded at 80-90 PLS and covered to a maximum of 0.25 inches by harrowing, drag bar, or roller.

Action 1d. Seeding efforts must be conducted between August 15 and prior to winter freezing of the soil.

Action 1e. All seed utilized will be tested prior to application to ensure BLM specifications for PLS, purity, noxious weeds, etc. have been met. Seed tags will be provided to the Authorized Officer prior to initiation of seeding activities.

Action 1f. As determined in cooperation with the Authorized Officer, fencing may be required to exclude livestock/big game grazing until seeded species have become established. Fencing would be constructed to BLM standards.

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Action 1g. As determined in cooperation with the Authorized Officer mulching may be required. Mulch should be applied within 24 hours following completion of seeding. Mulching should consist of crimping certified weed-free straw or certified weed-free native grass hay into the soil. Hydro-mulching may be used in areas where crimping is impracticable, in areas of interim reclamation that were hydro-seeded, and in areas of temporary seeding regardless of seeding method.

**Objective 2. Ensure slope stability and topographic diversity**

Action 2a. Reconstruct the landscape to approximate the original contour and topographic diversity.

Action 2b. Identify necessary erosion controls designed to prevent sediment transport from the reclaimed areas.

**Objective 3. Reconstruct and stabilize altered water courses and drainage features.**

Action 3a. Reconstruct drainage basins to have similar features found in nearby properly functioning basins, including: basin relief ratios, valley gradients, sinuosity, and drainage densities for all reclaimed basins.

Action 3b. Reconstruct drainages to have similar hydraulic characteristics found in properly functioning drainages, including: flow depth, water surface top width, cross-section area of flow, water surface slope, mean channel velocity, desired vegetation, and channel roughness.

**Objective 4. Ensure the biological, chemical, and physical integrity of the topsoil resource during all phases of construction, operation, and reclamation. BMP's designed to minimize and prevent erosion, compaction, and contamination of the topsoil resource should be used to maintain the topsoil resource.**

Action 4a. Segregate topsoil from subsoil without mixing them, based on site specific conditions.

Action 4b. Where possible, integrate stored topsoil into existing production landscape.

Action 4c. Stabilize all stored topsoil from erosion, and seed topsoil stored beyond one growing season with an approved seed mixture.

Action 4d. Identify topsoil storage with appropriate signage, to prevent improper use of the stored topsoil.

Action 4e. Redistribute the topsoil to pre-disturbance depth.

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Action 4f. Reduce soil/subsoil compaction to the anticipated root depth of the desired plant species. Compaction relief typically should be designed for 18-24 inches in depth. Compaction relief should be designed to create a cross hatch pattern, and distance between furrows should not be greater than 2 feet.

Action 4g. If the topsoil to be re spread is greater than 6" in depth, then topsoil should be applied and then compaction relief implemented. If the topsoil to be re spread is less than 6" , then compaction relief should be implemented prior to top soil application. Avoid leaving large clumps/clods, if this exists, discing may be necessary.

**Objective 5. Re-establish the visual composition and characteristics to blend with the natural surroundings.**

Action 5a. Ensure the overall location, landform, scale, shape, color, and orientation of major landscape features blends into the adjacent area and meets the needs of the planned post disturbance land use.

**Objective 6. Control the occurrences of noxious weeds and undesirable invasive species by utilizing principles of integrated weed management including prevention, mechanical, chemical, and biological control methods.**

Action 6a. Inventory and document noxious and invasive plant infestations before reclamation actions begin.

Action 6b. Control and manage Invasive and Noxious weed infestations using principles of integrated weed management including chemical, mechanical, and biological control methods. An approved Pesticide Use Proposal (PUP) is required for all planned herbicide applications. Herbicides must be applied by a certified applicator with a current Utah Pesticide Applicators License. A Biological Use Proposal is required for new biocontrol agents in the Field Office area.

**Objective 7. Manage all waste materials.**

Action 7a. Segregate all waste materials from the subsoil and topsoil.

Action 7b. All waste materials transported and disposed of off-site, must be placed in an authorized disposal facility in accordance with all local, State and Federal requirements.

**Objective 8. Conduct monitoring that is able to assess the attainment or failure of reclamation actions.**

Action 8a. Monitoring methodology should be an approved BLM method designed to monitor basal vegetative cover.

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Attachment 2-4

Action 8b. In cooperation with the Authorized Officer, an undisturbed reference site should be selected prior to monitoring. One reference site may be used for multiple reclamation sites as long the site potentials are similar.

Action 8c. Evaluate monitoring data for compliance with the reclamation plan objectives

Action 8d. Document and report monitoring data and recommend revised reclamation strategies, if necessary. Each applicant will submit an annual reclamation report to the Authorized Officer by March 31<sup>st</sup>. The report will document compliance with all aspects of the reclamation objectives and standards.

Action 8e. Implement revised reclamation strategies as needed.

Action 8f. Repeat the process of monitoring, evaluating, documenting/reporting, and implementing, until reclamation goals are achieved, as determined by the Authorized Officer.

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Attachment 2-5

## GLOSSARY

***Surface Disturbing Activities*** – An action that alters the mineral soil resource, and/or surface geologic features, beyond natural site conditions and on a scale that affects other Public Land values. Examples of surface disturbing activities may include: operation of heavy equipment to construct well pads, roads, pits and reservoirs; installation of pipelines and power lines; and the conduct of several types of vegetation treatments. Surface disturbing activities may be either authorized or prohibited.

***Federal Action*** - Approval of specific projects, such as construction or management activities located in a defined geographic area. Projects include actions approved by permit or other regulatory decision as well as federal and federally assisted activities.

*National Environmental Policy Act (NEPA) [42 U.S.C. 4321 et seq.]*

***Invasive Species*** - A species that is not native (or is alien) to the ecosystem under consideration and whose introduction causes or is likely to cause economic or environmental harm or harm to human health.

*Executive Order 13112*

***Reclamation Plan*** – A written document that addresses the reconstruction of disturbed ecosystems by returning the land to a condition approximate or equal to that which existed prior to disturbance, or to a stable and productive condition compatible with the land use plan.

***Waste materials*** – Any material that can interfere with successful reclamation, safety, and long term stability of a site (contaminated soil or water, drilling muds, solid waste).

*Adapted from various sources*

***Contamination*** - The presence of man-made chemicals or other alterations in the natural soil or water environment (pesticides, hazardous substances, petroleum, salts).

*Adapted from various sources*

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DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.  
U-015639-A

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
PRIDE VENTURES, LLC

3a. Address  
P.O. BOX 328  
BLOOMFIELD, NM 87413

3b. Phone No. (include area code)  
(505) 325-7707

7. If Unit of CA/Agreement, Name and/or No.  
N/A

8. Well Name and No.  
BOLINDER FEDERAL 3-12

9. API Well No.  
4301530178

10. Field and Pool or Exploratory Area  
GRASSY TRAIL

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
655' FNL 715' FWL SEC. 12: T16S, R12E SLM

11. Country or Parish, State  
EMERY, UTAH

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
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<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>PIT RECLAMATION</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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As of April 16, 2011 Pride Ventures will no longer be putting production water into the reserve pit. Pride Ventures requests permission to haul future production water to the Danish Flats water disposal facility.

Between now and June 15th, Pride Ventures will have Nielson Construction do the reclamation work on the pit as outlined in our reclamation plan (100% of pit will be reclaimed per our telephone conversation of 18 April 2011) dated March 5, 2011. Any water still in the pit will be hauled to the Danish Flats water disposal facility. Once the reclamation is done, Pride Ventures will submit a sundry to establish the pit area has been reclaimed.

**APPROVED**

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APR 22 2011

BLM  
PRIDE, UT

RECEIVED

MAY 02 2011

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
Robert G. Chenault

Title Authorized Agent

Signature

Date 04/04/2011

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

*Manny Hernandez*

**Petroleum Engineer**

APR 22 2011

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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(Instructions on page 2)

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